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State industry needs put squeeze on Lisbon, Page 2

NEWS SUMMARY

GENERAL

Managua fears U.S. air attack

A supersonic military aircraft overflew Managua, causing alarm and raising fears of bombing raids. The Nicaraguan ministry of defence said the flight was by a U.S. Air Force SR71 reconnaissance aircraft.

The Sandinista Government has also protested against the presence of two U.S. frigates in Nicaraguan waters off Corinto. The frigates have been shadowing a Soviet freighter, which the Reagan Administration said might be carrying MiG 21 jet aircraft to Nicaragua. One of the frigates came within five miles of Corinto, according to Foreign Minister Father Miguel d'Escoto.

The U.S. Administration strongly repeated its denials of Nicaraguan claims that it had violated the country's airspace and territorial waters.

Chile bans priest

Chile's military government barred a Roman Catholic priest and human rights campaigner from the country as it severely restricted political dissent and guerrilla violence after imposing a state of siege. Editorial comment, Page 14

Discovery lifts off

The space shuttle Discovery blasted off from the U.S. space centre to rescue two wayward satellites and place two more in orbit.

Shorter week

Dutch civil servants will work a shorter week for less money under a new deal accepted by their trade unions. It will save the Government Fl 1.9bn ($575m).

Lebanon talks

Israel and Lebanon started talks on a withdrawal of Israeli troops from south Lebanon, 29 months after Israel invaded Lebanon. Page 3

Turkey sentences

Ten left-wing militants were sentenced to death by a military court in Istanbul for forming an armed organisation to overthrow the state, murder and robbery.

China campaign

China is launching a campaign to try to wipe out illiteracy which affects a fifth of its population of 1bn.

Harare 'spies'

Six Zimbabweans appeared in a Harare court on spying charges after Prime Minister Robert Mugabe disclosed that his government had broken a spy ring. Five were accused of spying for South Africa and the sixth charged with recruiting spies.

Balloonists fined

Two environmentalist campaigners who flew a hot-air balloon over the Berlin Wall into East Berlin were fined DM 700 ($233) for breaking Allied military laws.

Austria protest

Austria protested to Czechoslovakia about the death of a Czech refugee who crossed the border into Austria and was then shot dead, apparently by Czechs.

Naples arrests

Italian police detained about 70 people when a group demanding jobs smashed shop windows and wrecked cars outside Naples town hall.

Archbishop barred

Portugal refused a residence permit to Archbishop Valerian Trifa of the Romanian Orthodox Church, who was deported from the U.S. for his alleged Nazi past.

BUSINESS

Shell suffers marketing setback

ROYAL DUTCH/SHELL suffered a £3m ($3.8m) third-quarter loss on its downstream marketing, marine and manufacturing activities outside North America, compared with a £181m profit in the 1983 third quarter. Report Page 20; Lex, Page 16

DOLLAR was slightly firmer in London, rising to DM 2.941 (DM 2.935), SwFr 2.4165 (SwFr 2.4145), FFr 9.0285 (FFr 9.01) and Y240.95 (Y240.7). On Bank of England figures, its trade-weighted index rose to 138.2 from 137.7. It closed in New York at DM 2.94075, FFr 9.0025, SwFr 2.417 and Y240.75. Page 35

STERLING was weaker overall, falling 35 points to $1.2695. It also fell to DM 3.7375 (DM 3.74) and Y306.0 (Y306.5). It improved to FFr 11.4725 (FFr 11.45) and was unchanged at SwFr 3.0725. Its trade-weighted index closed at 76.5 from 76.6 previously. Its New York close was $1.2695. Page 35

GOLD rose 75 cents on the London bullion market to finish at $347.50. It was down slightly in Frankfurt at $347.25 and was unchanged in Zurich at $347.25. In New York, the December Comex settlement was $349.70. Page 34

WALL STREET: The Dow Jones industrial average closed 4.53 down at 1,228.69. Section III

LONDON equities reversed most of their early losses but gilts were more vulnerable. The FT Industrial Ordinary index closed 1.1 down at 893.0. Section III

TOKYO blue chips remained unpopular as the Nikkei-Dow market average dipped 11.62 to 11,166.92. Section III

U.S. TRADE deficit widened to a record $23.3bn in the third quarter, and Commerce Secretary Malcolm Baldrige forecast a 1984 current account deficit more than doubled at above $100m.

U.S. TREASURY auction of 30-year bonds brought an average 11.83 per cent yield, with the coupon set at 11⅝ per cent.

U.S. MONEY SUPPLY: M1 fell $600m to $544.1bn in the week to October 29.

WEST BERLIN'S ambition to become a high-technology centre received a boost from Siemens, which said it would build a DM 230m ($78.2m) plant in the city to produce components for optical fibre technology. Page 18

HONG KONG'S chamber of commerce claimed that investment funds amounting to HK$10bn ($1.28bn) had deserted the country in recent months because of fears that new laws would bring an end to tax exemption. Page 19

NATIONAL AUSTRALIA BANK, one of the country's four private trading banks, lifted net profits 41.5 per cent for the year to September from A$160.9m to A$227.8m. Page 19

RENAULT, French car group, is forming a joint venture with Norton, U.S. industrial products concern, to produce a new generation of ceramic car motors. Page 17

PHARMACIA, Swedish pharmaceuticals and biotechnology group, raised earnings after net financial costs by 33 per cent to SKr 439m ($52.19m) for the nine months ending September. Page 18

SANTA FE INTERNATIONAL, U.S. energy group, is buying Occidental Petroleum's geothermal operations for $330m. Page 17

SWISS RE, the Zurich-based insurance group, boosted 1983 consolidated group earnings to SwFr 105m ($43.93m) from SwFr 97m. Page 18

Egypt calls on U.S. to revive Mid-East peace bid

BY TONY WALKER IN CHICAGO

EGYPT wants the U.S. immediately to resume the search for a Middle East peace settlement in the wake of President Reagan's sweeping election victory.

Dr Esmat Abdel Meguid, the Foreign Minister, said yesterday in an interview with the Financial Times that he believed Mr Reagan's recent reaffirmation of his commitment to his 1982 peace proposals was "very encouraging."

Dr Meguid's comments are the first shot in what is certain to be a determined campaign by moderate Arab states to press Washington into a more forceful and balanced role in the Middle East.

President Mubarak of Egypt and King Hussein of Jordan are striving to bring Mr Yassir Arafat of the Palestine Liberation Organisation into a tripartite alliance that would provisionally indicate a willingness to negotiate a solution to the Palestinian issue with Israel.

They are also looking for backing from Iraq, which is expected shortly to become the second Arab country to restore diplomatic relations with Egypt. Iraq and the U.S. are also planning to restore the formal links between the two countries that were severed in 1967.

"I hope now that Mr Reagan has been reconfirmed and has won a very strong mandate from the American people that we will see his words translated into action for the sake of peace and stability," said Dr Meguid.

In a message of congratulation to Mr Reagan, President Mubarak emphasised that the deteriorating situation in the region demanded urgent action. It was essential for the U.S. to play an effective role.

Both Mr Mubarak and King Hussein fear that Israel's occupation of the West Bank and Gaza Strip may soon become irreversible if the U.S. does not encourage greater Israeli flexibility.

Egyptian officials believe that now is a critical psychological moment for a revival of peace efforts and is willing to accept President Reagan's September 1982 proposals as a possible starting point on the road to a Palestinian solution.

Dr Meguid said there had been several promising developments recently in the region. Those included the election of a government in Israel that had shown "some flexibility in its approach," the restoration of diplomatic relations between Jordan and Egypt, and indications that the Palestinians were emerging from a painful process of reassessment.

"The Arab world has been going through tremendous changes," the Foreign Minister said. "It is no longer a question of mere slogans or taking up positions that are impractical."

He believed that Egypt's attitude was much better appreciated and that a silent majority of Arab states supported Cairo.

Dr Meguid said Egypt favoured a Middle East peace conference that grouped all interested parties but accepted that this would not be practical "for so long as Israel refuses to participate."

In the meantime, Egyptian officials are urging other parties to the Middle East dispute to start informal discussions on the range of peace proposals that have emerged in the past few years.

Israeli troop withdrawal talks; new sense of harmony in Beirut; PLO moderates seek to reassert authority, Page 3

HINT OF EXTENSION INTO 1985

Brussels may relax deadline on ending state aid to steel

BY PAUL CHEESERIGHT IN BRUSSELS

THE DEADLINE for phasing out operating subsidies to support the EEC steel industry may be extended beyond the end of the year.

First official hints of further state assistance for the steel industry emerged yesterday when the European Commission said it would be prepared to put to industry ministers a proposal to relax the deadline.

However, the Commission remains firm that the political decision taken by the Ten to eliminate both operating and general subsidies by the end of 1985 should be respected.

The Commission supervises the crisis controls on the steel industry. It permits subsidies where they are linked to capacity reductions and aimed at returning individual companies to financial health by the end of next year as part of the overall strategy.

The Commission also administers a system of production quotas and price controls.

Proposals to extend the end-1984 deadline on operating subsidies are likely to be discussed by industry ministers later this month.

They will reflect continuing financial difficulties at companies such as Sacilor and Usinor in France, Arbed Saarstahl in West Germany, Finsider in Italy, Cockerill Sambre in Belgium and British Steel Corporation.

However, diplomats expect resistance from Germany and the Netherlands to any move to alter the deadline.

Germany and the Netherlands would also be expected to oppose a second, and related, move being considered by the Commission.

That would involve a readiness to accept proposals from national governments to grant additional subsidies within a time limit. In return for allowing further subsidies, the Commission would be seeking additional capacity cuts.

France and Italy are believed to be most interested in giving fresh subsidies to their steel industries.

Under the original agreements for restructuring the steel industry, all companies should have presented their plans for operation to the Commission by September 1982.

The fact that the requirement for additional capacity reductions has forced companies to alter their plans is one reason why the Commission is coming round to admitting that the end-1984 deadline for eliminating operating subsidies is unrealistic.

New investment has been delayed and a greater level of subsidy is required for 1985 than had first been envisaged.

The Commission is also taking into account the fact that many corporate plans drawn up in 1982 have been upset by the sharp fall in steel prices in the second half of last year.

Those governments favouring an extension of controls and subsidies beyond the end of 1985 are heading for conflict with others, such as Germany, which are keen on securing a detailed Community approach for phasing them out.

Widespread failure to meet the [illegible] of cuts planned by the companies led the Commission in June 1983 to demand additional capacity reductions.

Those should have been notified at the beginning of this year.

The target agreed by EEC governments is to trim 30m tonnes from the Community's maximum steel capacity of 168.6m tonnes.

Attempt to avert budget row, Page 2

AT&T presents $2bn plan for fibre-optic links

BY PAUL TAYLOR IN NEW YORK

AMERICAN Telephone and Telegraph (AT&T), the U.S. telecommunications group, yesterday announced a plan to spend a total of $2bn by the end of the decade on a worldwide expansion of its advanced fibre-optic cable network.

AT&T said it would spend about $1bn next year and in 1986 on the network, which, it claimed, would be the largest of its type in the world.

The company said the investment would be financed internally. It would not seek telephone rate increases to fund the cost.

The digital network, capable of carrying voice, data and video transmissions, will connect big U.S. cities and span the Atlantic and Pacific oceans with the latest in lightwave communications technology.

Mr Robert Kleinert, president and chief operating officer of AT&T Communications, the long distance telephone and international services unit, [illegible] 21,000 miles, at a press conference in Washington yesterday.

"AT&T will construct the world's largest fibre-optic telecommunications network by the end of the decade," he said.

"Just as the microchip altered the computer business, lightwave technology will change the telecommunications industry. We intend to harness its tremendous power to meet our business and residence customers' growing needs for high capacity, highly reliable, voice, data and video services."

The expanded fibre-optic cable network, together with a planned digital microwave system and 4,500 miles of upgraded coaxial cable which is being converted to digital transmission, will link 120 metropolitan centres in the U.S.

In addition, AT&T said that by 1988, the company will have constructed most of the previously announced transatlantic fibre-optics cable, called TAT-8, which will connect Tuckerton, New Jersey, with Widemouth in the UK and Penmarch in France.

"AT&T and other domestic and foreign carriers have also proposed [illegible] California and the Western Pacific area with Hawaii and Guam by late 1988 or early 1989."

All the new routes proposed yesterday are subject to approval by the U.S. Federal Communications Commission.

FT EUROPEAN TOP 500

THE THIRD annual FT survey of the leading 500 European companies, published today, shows French and Finnish companies making notable gains in the market capitalisation rankings, buoyed by the strong performances of their domestic stock markets.

A recovery in heavy industries such as steel is highlighted, while insurers have drawn benefit from the year's bid activity. In the UK, big electrical stocks have slipped but smaller high-technology operations moved up strongly. The building sector lost ground.

Boliden of Sweden achieved the biggest pre-tax profit advance. Report, Page 18; Survey inset

South African crackdown after strike

By Jim Jones in Johannesburg

THE South African Government yesterday imposed restrictions on black trade unions and the multiracial United Democratic Front (UDF) coalition in the wake of a 48-hour general strike by black workers that paralysed large sections of industry around Johannesburg on Monday and Tuesday.

Police arrested several black trade union and student leaders who organised the strike (referred to as a stayaway in South Africa). Hundreds of thousands of workers are believed to have stayed away from work during the strike, making it the largest such action since a black workers' boycott in 1950.

More workers responded to the strike call than to national strikes organised by the black leader Mr Nelson Mandela in 1961, although response was limited geographically to the Transvaal.

More than 20 people died in rioting and clashes with police in black townships during the strike, called to protest against rent and bus fare rises, the protest was also aimed at the recent use of army troops to combat unrest in the townships, a policy that seems to have inflamed the already tense situation there.

Police yesterday raided the offices of the Federation of South African Trade Unions, the Congress of South African Students and the UDF, which has recently emerged as a focus for protests against the apartheid system by blacks, coloureds (those defined as being of mixed race) and Indians. Six UDF members took refuge in the British consulate in Durban several weeks ago to avoid detention orders issued against them by Pretoria. Three subsequently left the consulate and were immediately arrested.

Armed police also supervised the eviction from company lodgings of 6,000 black workers dismissed by Sasol, the oil-from-coal producer, on Tuesday for supporting the strike. The dismissed men represented 90 per cent of the Sasol workforce.

Mr F. W. de Klerk, South Africa's Minister of Home Affairs, said yesterday that black unions would not be allowed to turn the labour sphere into "a political battlefield."

He said: "No matter how unpopular it might make us in the outside world, strong action will be taken against instigators, arsonists and radicals. Order will be maintained."

● More than 1,000 people were detained in the first 10 months of this year, according to the Detainees' Parents Support Committee. The group says in a report says 130 people have died in the past two months, "nearly all as a result of police action."

Five directors quit Dunlop as Edwardes becomes chairman

BY RAY MAUGHAN IN LONDON

SIR Michael Edwardes will take over from Sir Maurice Hodgson today as chairman of Dunlop Holdings as the hugely indebted tyre manufacturing group undergoes one of the deepest boardroom bloodlettings in UK corporate history. Almost the entire board is to be changed.

Sir Maurice, a former ICI chairman who joined Dunlop at the beginning of the year as non-executive chairman, had been asked by the banks that now determine Dunlop's continued existence to stay on while the group embarks on a massive financial reconstruction.

He has rejected that, he explained yesterday, because "it would prolong the uncertainty and run the risk that there would be two of us, Sir Michael and myself, whose views of the running of the company would not be coincidental."

Sir Maurice left last night and was followed out by four other non-executive directors. The executive team of Mr Alan Lord, chief executive, Mr Kenneth Gardener, finance director, Mr Roy Marsh, responsible for corporate affairs, and Mr Anthony Harvey, who had been running the diversified products division, has been dismantled. Those four directors have resigned at Sir Michael's express request, although Mr Colin Hope and Mr Kenneth Johnson, the executive directors responsible respectively for the overseas and European tyre operations will stay on as members of a news management board.

It is now clear that it had been a salient condition of the 46 banks' continued wish to go through with the financial reconstruction that Sir Michael should take over as executive chairman of the group. Dunlop had earlier found its own man to replace Mr Lord, Sir Maurice said, who had been vetted carefully by the board during the summer and approved by representatives of the banks.

However, Sir Michael, then head of ICL, the mainframe computer manufacturer then agreeing a takeover by Standard Telephones and Cables, became free. "The banks," the outgoing Dunlop chairman said, "changed their minds about the envisaged recruit as a new option emerged."

Sir Michael had been connected with management moves at Dunlop for the past eight weeks, the group disclosed. At first the banks appeared to have been tentative, and it took some persuasion by Sir Maurice himself "to make up their minds because the uncertainty was damaging the company."

Just as the banks stipulated Sir Michael as a condition of their continued support, Sir Michael made his own demands before agreeing to accept the offer, which will be made formally to him at a board meeting today.

Having asked for, and received, the wholesale board resignations, the former chairman of BL, the state motor group, is bringing ICL's former finance director, Mr Robin Biggam, to take Mr Gardener's role. Mr Roger Holmes has also left ICL to take charge of Dunlop's strategic planning and communications.

Sir Graham Wilkins, a former chairman of Beecham, has been appointed a non-executive director in place of Sir John Read, Sir Arthur Knight, Sir William Menzies-Wilson and Sir John Baring, who left last night with Sir Maurice.

Sir Campbell Fraser, Dunlop's chairman until the end of 1983, has recently relinquished his specially created post of honorary president of the group. The only survivors from the board of a year ago are Mr Ghafar Baba and Mr C. A. Eng, from Pegi, the Malaysian company that controls a 26 per cent stake in Dunlop.

Lex, Page 16

CONTENTS

Pay rises less fast in France

By David Housego in Paris

The pace of wage increases in France slowed sharply in the third quarter, confirming the government's success in breaking the once automatic indexation of the level of industrial earnings to the inflation rate.

According to provisional figures, hourly earnings in industry rose by only 0.8 per cent in the July-October period. This is a record for recent years, apart from the period of wage freeze in 1982.

It means that for the first nine months of the year hourly wages have risen by a cumulative 4.3 per cent or a percentage point below the cumulative inflation rate.

Over the 12-month period to the end of October, hourly wages have risen by 6.4 per cent against an inflation rate of 7.1 per cent.

The slowdown in wage increases explains in large part the improvement in company profits. Its also, for the Government, one of the most important elements of its anti-inflationary strategy.

Though virtually all the main unions have protested against the loss of purchasing power the impact of higher rates of unemployment has deterred widespread strike action in support of wage claims.

Indicative of this was the only partial support last month for the one-day strike by public employees against the Government's wages policy.

The slower pace of wage increases also coincides with a forecast by BIPE, one of the main private forecasting agencies, that inflationary pressures will continue to ease next year. It believes France will achieve a twelve-month inflation rate of 5.6 per cent by the end of 1985 after 7 per cent expected this year.

The institute forecasts that France's growth rate next year will still be lower than that of its major trading partners, with an expansion of real GDP of 1.2 per cent against a projected 1.3 per cent this year.

It also expects a small trade deficit next year of FFr 1.2bn (£105m) after a FFr 19bn deficit this year and FFr 43.5 in 1983.

Diana Smith on constraints within Portugal's economy

Demands of nationalised industry put Lisbon on a tight budget

THIS IS the season when Portuguese Cabinet Ministers fight the Finance Minister for budget allocations.

The contest is even fiercer this year for funds have shrunk under the austerity enforced by an 18-month agreement with the International Monetary Fund and after nearly a decade of public sector losses.

Politically-motivated nationalisations, misguided investment, piecemeal management, overmanning and heavy borrowing at home and abroad have reduced state finances to the point where merely to service the accumulated public debt will cost some Esc 350bn ($2.1bn) next year.

This represents almost a third of the total 1985 budget of $6.8bn when outlays of $1.7bn on the salaries of 400,000 people who work for the state are added, over half the budget is devoured by these two items. Little is left for health, education, welfare, transport or investment in industry.

Each year politicians inside and outside government cry for action on the public sector. They agree that new forms of management and inter-ministerial co-ordination are essential. But the distance between concensus and action seems to grow each year.

The deficits and debts also grow annually. The continuing inability of some public enterprices and ministries to pay their suppliers, and the huge debt owed by public enterprises to domestic banks affects production and interest rates more negatively each year. Action, if it comes, will not be a moment too soon.

The latest proposals are due for cabinet debate shortly, following completion of research into the finances of the Ministry on Industry, Energy and Mining. This department controls the nation's 13 largest manufacturing companies, three mining companies and an industrial estates company, nearly all nationalised haphazardly in the 1975 revolution.

The 1983 figures for these enterprises, although distorted by the severe liabilities of five — the shipyard Setenave, the chemicals and fertiliser complex Quimigal, the petrochemical complex CNP, the national steel corporation Siderurgia Nacional and a small, crippled glass company bequeathed to the state by an elderly foreign couple — illustrate the size of the problem.

Against total 1983 sales of $3.4bn the 18 companies had total liabilities of $7.2bn, larger than the total Portuguese budget. Total cash flow was $155m but the negative cash flow of the five worst-off companies was minus $217m. With total assets of $8.8bn, total equity was only $1.7bn.

Employing 72,000 people, the 17 companies had staff costs of $360m, financial overheads of $826m and losses (mostly those of the five companies) of $335m.

Their total foreign debt was $3.9bn at the end of 1983, of which $763m was carried by the five worst-off companies.

Two healthier companies, Petrogal, the national oil monopoly, and EDP, the national electricity corporation, have hefty foreign debts—Petrogal's mostly for financing oil purchases and EDP's for modernisation and diversification of energy supplies.

At the end of 1983 these were respectively $1.4bn and $1.63bn. They have a strong image on world money markets however. EDP has repeatedly attracted sizeable medium-term international loans to finance investment.

Other industrial companies of the group are ticking over and in some cases showing a profit. They include two breweries, Sociedade Central de Cerveja and Unicerveja, the largest state-run pulp mills, Portucel, the national cement corporation, Cimpor, and CEP, which makes town gas for Lisbon.

The solutions proposed for the companies include opening capital to minority private shareholders (assuming anyone is interested), conversion of part of debt to equity if possible, divestment, restructure of the debt of a few of the most overburdened enterprises and more flexible management.

The government has been forced to prune investment in public enterprises drastically—hardly any investment has been made this year except in energy-saving processes or equipment. In two years, jobs in the big companies under the Industry's Ministry's jurisdiction were reduced by 2,300 and the companies are only allowed to replace one out of every two people who retire or leave for other reasons.

The restricted investment hampers some profitable enterprises which should be expanding or modernising. As one senior official said: "We need a big, strong industrial house, but we can only afford a tiny kitchen. It is not enough."

PORTUGAL IS planning an Esc 312bn (£1.5bn) budget deficit next year, a serious departure from the Esc 250bn for which Sr Ernani Lopes, the Finance Minister, had hoped, writes Diana Smith. Public accounts are again distorted by increasingly expensive servicing of the accumulated public debt, requiring Esc 275bn next year, and by the public sector's unresolved financial crisis.

W. German coalition split over Law of Sea pact

By Peter Bruce in Bonn

A HEATED debate has erupted within the governing West German coalition over whether the country should sign the Law of the Sea Convention by the time the deadline to do so expires on December 9.

Apart from coming under strong pressure from the French to sign the United Nations-sponsored convention, and equally urgent calls not to from Washington, it has become clear in recent days that Chancellor Helmut Kohl's coalition of Christian Democrats (CDU), Christian Socialists (CSU) and Free Democrats (FDP) is deeply divided on the issue.

The CDU/CSU executive this week declared itself strongly opposed to signing. That was probably in reaction to signs that the Chancellor might be beginning to bend towards arguments put by the French leader, President François Mitterrand, during his visit to Bonn last week.

Herr Hans-Dietrich Genscher, the Foreign Minister and FDP leader, has, however, made clear that he wants Bonn to sign. Herr Genscher, however, faces opposition from within has own party and is having to lobby hard to get the FDP, including Herr Martin Bangemann, the Economics Minister, behind him.

Nearly 140 of the UN's 159 members have signed the convention, of which the most controversial articles deal with sharing out seabed mining rights among the industrialised and developing countries.

Most of the developing countries signed the convention, which was drawn up in December 1982 in Jamaica. So did the Eastern bloc, and a number of industrialised Western nations, including France, Australia and Canada.

West Germany, along with the U.S., Britain and Japan, signed only the Final Act, which did not bind them to the convention in any way. Japan, in fact, signed the convention two months later.

The arguments against Bonn's signing the full convention mainly mirror those of the U.S. and Britain, both of which seem likely to ignore the December 9 deadline.

U.S. opposition is based on fears that because the convention will be administered by the UN, Third World countries might be given an unfair advantage in seabed mining over those countries which already have the technological and financial muscle to develop the seabed.

The Foreign Ministry in Bonn, however, has long argued that only by signing will West Germany be in a position to influence the direction of international seabed mining policy.

The argument for signing now also holds that seabed mining, partly because of flat commodity price forecasts, is very much a creature of the future and that the industrialised countries should be able to reduce any inherent disadvantages in the convention before seabed mining becomes commonplace.

EEC settles on 40 tonne limit for truck weights

BY PAUL CHEESERIGHT IN BRUSSELS

THE EUROPEAN community's year of discusions about the weights and dimensions of heavy trucks could end with half an agreement. Transport ministers meeting here yesterday emerged from several hours of talks about axle weights to declare that next month they would adopt a directive on weights and dimensions they have already agreed.

But they have put off the question of driving axle standards, although they undertook to settle the matter by the end of next year.

The first of the two putative directives on weights and dimensions is part of a package of measures originally pulled together last May. That package started to fall apart within two days of being wrapped up. Yesterday, the ministers, eventually abandoning discussion and splitting off the axle weight question from the rest of the measures, managed to pull the package together again.

The package includes a doubling in the number of community road haulage licences over five years, the spending of Ecu 95m (£57m) on road and rail projects, a road safety programme, a review of drivers' working hours and recommendations to strengthen co-operation among railway companies.

The first directive on truck weights and dimensions will put a limit of 40 tonnes on the weight of laden trucks moving from one Community country to another.

But those entering Britain and Ireland will not be more than 38 tonnes. "I don't see any move from 38 tonnes for a very considerable time indeed," said Mrs Lynda Chalker, the UK Ministher of State for Transport. Britain is assessing the strength of its bridges but it would cost around £1bn to fit them to take heavier traffic.

Most of the discussion yesterday, however, centred on an Italian demand for a Community standard of 12 tonnes maximum for driven axle weights. Most other countries were prepared to accept 11 tonnes.

Afterwards, Mrs Chalker was confident that the package, without the axle weights, would be formally approved next month on the basis "of what was said today, and provided no country changes its position."

She used the meeting to push again the British policy of liberalising air transport. Although supported by the Netherlands, with which the UK already has an agreement, she failed, as other British ministers have done, to make much impression. But for the first time West Germany expressed interest in the policy.

Meeting seeks to head off row with MEPs over budget controls

BY QUENTIN PEEL IN BRUSSELS

A TOP-LEVEL meeting of the presidents of the three principal institutions of the European Community—the European Commission, the Council of Ministers, and the European Parliament—is to be held today in an effort to head off a renewed confrontation over their common budget.

The main bone of contention between them is the system of budgetary discipline being proposed by the Council, at the insistence primarily of Britain, to impose long-term control on EEC spending.

National officials were last night putting the finishing touches to that system, but the European Parliament has demanded some role in it, in keeping with its position as one arm of the Community's budgetary authority.

Today's meeting between M. Gaston Thorn, president of the Commission, M. Pierre Pflimlin, president of the Parliament, and Mr Alan Dukes, Irish Finance Minister representing the Irish presidency of the Council of Ministers, is expected to decide when and how the Parliament will be formally consulted on the issue—but not to attempt negotiations on any changes in the system.

Members of the European Parliament are furious that the Council's plan would, in effect, set a ceiling on spending at the beginning of each budget year, decided among the 10 member states without consulting the Parliament.

The plan has yet to be finalised, although the last points of dispute between the 10 were last night virtually resolved. Officials have agreed on how to calculate a base figure for agricultural spending, which was previously in dispute, allowing the overspending of 1984 and 1985 to be included in the amount, but thereafter *imposing a rate of* increase no higher than the rate of increase in Community revenues.

There is some urgency in approving the system, because both Britain and West Germany have said they will not pay any extra money into the Community budget in the present year until that has been done: there is a shortfall of Ecu1bn (£599m) to be covered before December 31.

Now, however, it appears likely that the Council of Ministers will put off any final decision until they have met members of the Parliament to resolve their differences if that is agreed by today's meeting.

Officials say there is room for a compromise, by writing into the budgetary discipline plan an agreement that Parliament will be consulted before the Ministers agree on the budget framwork—the spending ceiling—for the following year. It is not clear, however, that will satisfy the MEPs.

Industrial growth tops East Europe targets

BY LESLIE COLITT IN BERLIN

THE ECONOMIC recovery begun last year in Eastern Europe is continuing apace, with industrial growth in most countries exceeding their plan targets.

East Germany reports that its economy expanded by 5.3 per cent in the 10 months to the end of October as reflected in the growth of national income. Its target for the year is 4.4 per cent, the level that was achieved last year. In 1982, a low point for all the East European economies, East Germany had 2.6 per cent growth.

Industrial production in the first 10 months rose by 4.3 per cent against the same period last year. The target for the year is 3.6 per cent. Labour productivity is said to have risen by 7.6 per cent and a record harvest exceeding 11m tonnes of grain was brought in.

In the Soviet Union, industrial production in the first nine months is reported to have increased by 4.1 per cent, against a target for the year of 3.5 per cent.

Normally, Comecon countries achieve their best output figures in the final quarter. Soviet labour productivity rose by 3.7 per cent, against a target of 3.5 per cent for the year.

The plan for oil production, however, was not achieved, and Western estimates of the grain harvest are 175m tonnes, 65m tonnes below the plan target and lower than last year's estimated 190m tonnes. This may adversely affect national income growth, targeted for 3.5 to 4 per cent.

Poland says public sector industrial production to the end of September rose by 5.3 per cent, while the important extractive industries produced 3.6 per cent more. However, overall economic performance last year, which showed the first growth since 1979, was 20 per cent below 1978. The grain harvest this year was a record 24m tonnes.

The Czechoslovak economy expanded by 3.2 per cent in the first six months, slightly better than planned. Industrial output was up 3.4 per cent compared with a 1.9 per cent goal and 2.7 per cent achieved last year. This year's grain harvest was the largest ever at 12m tonnes.

Hungary reports industrial production up 3 per cent in the first eight months compared with 1 per cent growth last year and a target this year of 1.5-2 per cent. Grain production is expected to top last year's when 13.7m tonnes were harvested after a severe drought.

According to President Nicolae Ceausescu, Romania's industrial production rose more than 5 per cent to the end of August compared with a 7 per cent target, and an increase of 4.8 per cent in 1983. A record grain crop of 22.6m tonnes was brought in this year.

In Bulgaria, industrial production rose 4.6 per cent in the first nine months, the same as recorded last year. This year's goal is 5 per cent. The official news agency said there were "good" harvests of wheat and barley but gave no figures.

Italian employers press unions over wage reform

BY JAMES BUXTON IN ROME

ITALY'S PRIVATE sector employers fired the first shot of the season in their long-running campaign to reduce the cost of labour.

Confindustria, the employers' organisation, told its members to pay *only half the wage* increase due following the two-point rise in the *scala mobile* pay indexation system. The two-point increase, to take account of rising inflation over the past three months, was announced officially on Wednesday.

The decision, which would dock L6,800 (£2.90) from monthly pay packets, is intended to put further pressure on the unions to begin serious talks on restructuring of the wage-earner's pay packet to reduce the effect of wage indexation.

The employers' action is in line with their interpretation of the January 1983 agreement which first reduced the workings of the *scala mobile*. They hold that fractions of points on the index should be lost forever, and are not paying the last index point because it is composed of accumulated fractions.

Confindustria took similar action last autumn, but later backed down in the hope of achieving satisfaction in negotiations with the unions. Those negotiations culminated in the unprecedented government decree of last February which had the effect of cutting four points off the index in the first half of this year.

The decree was opposed by the Communist-oriented CGIL union.

This time, Confindustria is seeking a much more comprehensive agreement in which all unions would participate voluntarily. Last month it presented proposals for cutting the extent of *scala mobile* indexation payments in the monthly pay packet, widening differentials between skilled and unskilled workers, reducing the frequency with which the *scala mobile* triggers wage increases and removing certain items from the basket on which the index is based.

It also made proposals on increasing employment, especially of young people.

The proposals were greeted with cautious approval by some unionists, being seen as a sign that Confindustria was taking a moderate line. But the three main unions have failed to reach a comon position on which to negotiate. The CGIL's position is cramped by the fact that the Communist Party has presented a petition calling for a referendum which would overthrow the legislation cutting the *scala mobile* earlier this year.

Pravda sees hope in Reagan line

By Patrick Cockburn in Moscow

MOSCOW is showing signs of a greater willingness to believe that Washington may be changing its attitude to East-West relations.

The Soviet daily Pravda, commented yesterday that it was important to see if U.S. President Ronald Reagan's more conciliatory tone on East-West relations during the campaign would be followed by concrete action after his election victory.

In 1980 Mr Reagan "conducted the campaign in an openly chauvinistic, militaristic, anti-Soviet fashion," the Pravda said, but added that "in this election particularly in its later stages, Reagan convinced Americans of his desire for peace and better relations with the Soviet Union."

● The Soviet Union has discovered oil offshore for the first time in the Baltic Sea, the Government daily Izvestia said yesterday. A drilling platform found high grade oil off Kalingrad at a depth of 9,200 ft, but the report did not give any size for the new field.

Offshore drilling started in February this year in the region where oil had been found in the early 1970s.

Swedish union supports 5% pay norm

By Kevin Done, Nordic Correspondent, in Stockholm

SWEDEN'S main central trades union organisation for blue-collar workers, LO, yesterday put its weight behind the Government's campaign for a voluntary 5 per cent limit on pay rises for 1985.

Its price for seeking moderate wage settlements is a guarantee of real wage increases next year, but *in its autumn economic report, published* yesterday, LO makes clear that it backs the main priority of government economic policy – namely the maintenance of Swedish industry's international competitive position.

LO has accepted the government argument that high nominal wage rises will only trigger higher inflation and in turn undermine the competitive advantages won by the October 1982 16 per cent devaluation.

Sweden's Social Democratic Government has several hurdles still to overcome, however, if it is to reach its goal of holding labour cost *increases down to* 5 per cent next year.

Swedish employers have still to agree to go back to some sort of centralised wage bargaining with LO. There is also a danger that wage drift in the private sector will take labour cost increases well above 5 per cent.

Public-sector workers have demanded a renegotiation of their 1984 pay settlement, and if the Government gives way on that front, it might persuade the more powerful private-sector unions to break ranks with LO and fight alone for higher increases in a repeat of this year's free-for-all.

LO economists argue the government case, however, and say higher wage rises next year might have drastic consequences for Swedish industry in 1986 and 1987.

Polish workers criticised over mourning for priest

BY CHRISTOPHER BOBINSKI IN WARSAW

THE POLISH Communist Party organisation at the Warsaw steelworks has attacked the local workers' self-management council for ordering three days of mourning at the works to mark the death of Father Jerzy Popieluszko, the pro-Solidarity priest murdered by three official security men.

The party attack comes after the managing director refused to permit flags at the plant to be hung at half mast as directed by the council.

The stance of the steel workers has been crucial to developments in the crisis surrounding the priest's kidnapping and murder as he was chaplain to Solidarity there and many of his closest associates are still employed at the plant.

Underground Solidarity groups have urged the 9,500 strong workforce to go on strike. Most recently, Solidarity's interfactory workers committee (MRKS), a radical underground group in Warsaw, again appealed to activists to "agree on forms of strike action to be proclaimed in protest."

"We appeal to the Warsaw steelworkers, the FSO car factory, the other plants in the city, the Lenin works in Nowa Muta. Gdansk and the whole of Poland is waiting for proof that you remember Father Popieluszko and are ready to stand up for your dignity," the MRKS appeal said.

Instead the workers at the steel plant had gathered at meal breaks to pray for the missing priest until his body was found.

Before the funeral last Saturday *the democratically elected* workers self-management council decided to send an official delegation and have the flags hung at half mast.

The council declared at a special meeting that Father Popieluszko had been an advocate of the "dignity of man and his right to life and liberty."

Now the party organisation in the works has accused the council of "overstepping its rights as outlined in the self-management law" and said that the declaration "contained a number of religious and political accents out of line with the lay *character of the* entreprise."

The three day period of mourning, said the party, which has a hard-line reputation, was a political protest.

Turkey jails UPI journalist

By David Barchard in Ankara

A MARTIAL law court in Istanbul yesterday sentenced the Turkey correspondent of United Press International, Mr Ismet Imset (25), to five years in jail.

Mr Imset was sentenced on a charge laid in November last year alleging that he had complained of being beaten up by Istanbul police while applyin for a passport to work abroad for UPI.

He had previously been charged with illegal ownership of a pistol in 1978. The charge was stepped up after repeated *instances of harassment* of Mr Imset, apparently by Istanbul police, witnessed by Western journalists.

Mr Imset's lawyer said yesterday there was no evidence to support the charge introduced in November last year. After passing sentence, the court allowed Mr Imset, who was drafted into the navy as a conscript in September, to remain free, pending an appeal expected to be heard sometime inthe next 12 months.

FT COMMERCIAL LAW REPORTS

Good faith and problems with bills of exchange

BY A.H. HERMANN, LEGAL CORRESPONDENT

DISTINGUISHING between form and substance is often the essential part of judicial decisions. The relative weight given to one or the other *differs between countries, between* courts and between individual judges. Three recent decisions illustrate the approach of the West German Federal Supreme Court (BGH): two deal with bills of exchange and the third with a letter of credit.

An Italian company equipped three ice cream parlours in Berlin for an Italian owner of a cafe on Kurfürstendamm.* The total cost was about DM 375,000. As part of the payment arrangements the supplier drew on the cafe owner three bills of exchange which were accepted in *bianco*, one by signing his name only, and the other two by adding to his name "Ice Cafe."

The supplier later filled in the bills, and when these were not honoured, sued and obtained judgment for DM 65,214 plus interest and costs. This was confirmed by the appeal court of Berlin.

The debtor appealed to the Supreme Court, arguing that the bills were completed in a way contrary to the agreement between the creditor and himself. According to this the drawee should have been Ice Cafe G.P. & Co., a limited partnership established on June 18 1981. Mr P., the general partner with unlimited liability, should have accepted the bills, but the creditor insisted on the signature of the cafe owner who he knew from Italy and to whom he addressed the invoices.

The BGH said that, assuming the facts were as presented by the debtor, the holder of the bills could not gain any rights from them by filling them in a way deviating from the agreement. The case also had an*other aspect, however. Two of the* bills were accepted after the formation of the partnership but before its appearance in the commercial register. As the defendant participated in the formation, he became fully liable for the debts of the yet unregistered company.

The third bill was accepted on June 17, one day before the formation of the company; but in view of the closeness of these two dates, it must be assumed that Mr P. approved, expressly or by implication, the acceptance of the bill in the name of the limited partnership, either before it was concluded or subsequently.

As the defendant would be liable as one of the partners, even if the bills were signed by the unregistered limited partnership, it would be contrary to good faith to free him from his liability only because the agreed form of signature was not observed.

In another case, †where the BGH was asked to decide at what point a bank acquired the ownership of a bill of exchange handed over the counter for discounting, the decision was based primarily on the routine followed by banks in transactions of this sort.

Company C drew a bill for DM 30,000 on the defendant B, who accepted it. Company C then endorsed the bill to the order of the plaintiff, bank A, and handed it over the counter for discounting at its branch office on May 7 1982.

The counter clerk took the bill but made no statement as to its dis*counting, and the current account* of Company C was not credited by the bank with the proceeds of a discounting transaction at the time. Instead, the bill was entered on a provisional internal account of the bank.

A month later Company C became insolvent. The bank credited the amount of the bill to the account of the failed company, showing a debit balance well in excess of DM 1m, and claimed payment from the defendant on the basis of his acceptance. This was refused.

The defendant argued that the bank decided to discount the bill much too late and only with a condition, namely, that it should be used exclusively for reducing the debt of the failed company. Because the bank did not accept the offer of the bill as and when it was made, it did not become its owner.

As the presumption of ownership was in favour of the bank, formally entitled by the endorsement, it was up to the defendant to prove that the transfer agreement had not been concluded. Reverting two lower courts, the BGH held that the absence of such an agreement was evident from the undisputed facts of the case.

It found that in the usual course of business a bank does not discount a bill before a special department checks its validity and the creditworthiness of those obliged under it. Such routine was also followed in the present case.

Even the approval of the discounting by the headquarters of the bank did not amount to an acceptance of the customer's offer and *did not, therefore, establish a perfect* agreement. Although the Civil Code provided in Section 151/1 that the acceptance of an offer need not be communicated to the offeror if this corresponded to business usage, or if the offer renounced such communication, neither was the case here.

In a third case, ‡ the BGH said that although banks must keep strictly within the formal and precise instructions from a customer in handling letters of credit, this principle, like any other, was subject to the overriding requirement of good faith. A bank might deviate from the instructions in a minor detail which would cause no loss to the client. In the case before the BGH, however, the lower courts concluded rightly that a deviation which increased the freight costs by about DM 4,000 could not be considered insignificant.

A confirming bank in Madrid advised that the documents were "in order" when, in fact, the invoice was *ex-factory* instead of *free alongside ship*. As the Madrid bank had consequently no rightful claim to the money remitted to it by the issuing bank, such a remittance could not be seen as a "necessary" disbursement on behalf of the instructing importer.

* *BGH, Case II ZR 195/83*
† *BGH, Case II ZR 23/84*
‡ *BGH, Case II ZR 160/83*

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OVERSEAS NEWS

As talks start for the withdrawal of Israeli troops from Lebanon, **Nora Boustany** examines a new mood of harmony in Beirut

Gemayel strengthens his grip on Christian community

LEBANON'S leader Mr Amin Gemayel, who has presided over two of his country's most turbulent years, is finally consolidating his hold on the Christian camp.

Despite predictions of a schism between doves and hawks in Christian ranks after the death of his father, Phalange Party leader Sheikh Pierre Gemayel, the 42-year-old President's co-religionists are falling into step behind him.

The unification process has been prompted by an instinct for survival within the Christian community, as its political power comes under threat from Lebanon's Moslem majority.

Mr Alfred Madi a member of the Phalange Party politburo and formerly one of the closest advisers of President Gemayel's assassinated younger brother, Bachir, says now that "nothing must be done to jeopardise the President."

"The interest of the Christian community is to have a very strong President," he said in an interview. "The issue is no longer whether we should back the President, but how to save the community."

Christians have been divided in the past year over whether Lebanon should ally itself with Israel or Syria. The hardline

Christain militias, the Lebanese Forces, last March defied the Phalange Party in its resolve to support President Gemayel's policy shift towards a practical alliance with Damascus.

The militias, which had always openly favoured not only an alignment but a peace treaty with Israel, publicly opposed the Cabinet decision to cancel the May 17 Lebanon-Israel withdrawal accord, contradicting the mainstream Phalange Party's backing of the agreement.

With the death of Sheikh Pierre, an imposing and moderating force who always managed to rally political strength behind his only surviving son, observers feared the Christian front would crumble. But Lebanese Forces ideologues now concede that "Amin is the boss."

Mr Karim Pakradouni, a former member of the Phalange politburo and the adviser of the Lebanese Forces, says Amin has a "growing popular base" in Christian areas. "The President has worked quietly but firmly in recent months to strengthen his grip in these areas, often using the influence of his local strongmen in the Maten region, Northeast of Beirut."

After his election in September, 1982, Amin's biggest obstacle to effective leadership was the cult of posthumous adulation, which had grown up around his more charismatic and extremist brother Bachir, who died in a massive bomb explosion at Phalange party headquarters that year. Outsize portraits of Bachir are still visible in the streets of Christian East Beirut.

The death of Bachir was so shattering that Christian forces lost their sense of direction. Their image suffered miserably after their participation in the Sabra and Chatila massacres and their defeat by Druze militias in the 1983 mountain war.

When Moslem militias crushed the Christian-led army in West Beirut and its suburbs last February, sweeping Amin's Moslem opponents into power as Ministers in his national unity Cabinet, it was clear that something had to change.

The Phalange and the National Liberal Party of former President Camille Chamoun are now hammering out a working paper on a Christian platform. The paper underlines coexistence with Moslems and favours a loose form of administrative decentralization that would not compromise Lebanese unity. Mr Madi notes that the Phalangists are now focusing on institutional reform rather than on charismatic rulers.

It is still not known how the Lebanese Forces' demands will be worked into this, but their commander, Abu Nader, is considered closer to Amin than his predecessor Fady Frem, and has been a loyal and disciplined Phalange Party member since 1971.

Christians have made a rude awakening to the realisation that Israel is not their regional protector and that they must fend for themselves as a minority.

This realisation has led the various Christian political groups to believe that "harmony is imperative" if they are to face the challenges of the future. A determination to put the Christian house in order and quiet behind-the-scenes lobbying has produced three victories for Amin:

● The election of Dr Elie Karameh as chief of the Phalange Party.

● The appointment of Phalange Radio director Joseph Al Hashem as Health and Telecommunications Minister.

● The selection of his nephew, Fuad Abu Nader, as commander of the Lebanese forces.

Dr Karameh, a typical party man, is stressing reorganisation and purification of the party membership of 120,000 to 150,000. Two Phalange deputies, Mr Edmond Rizk and Mr Louis Abu Sharaf were expelled for failing to abide by a politburo resolution to vote for Mr Hussein Al Husseini, Amin's, and Syria's, choice for speaker of Lebanon's unicameral legislature.

None of the changes imply that all the resentment about Amin's moderate views has been totally eliminated. But there is clearly a strong will to stand behind the Christian community's highest ranging leader.

The Christians are still worrying about two things: a possible battle with Druze fighters in the southern tip of the Chouf mountains, which could bring the Druze down to the coastal road leading to South Lebanon; and that further attempts might be made to destabilise Lebanon in the wake of King Hussein's rapprochement with Egypt.

Christian leaders are apprehensive that Fatah guerrillas loyal to Mr Yassir Arafat, the Palestine Liberation Organisation leader, may filter back to Beirut and do battle with pro-Syrian forces.

At present, this seems a remote possibility, but Lebanon's fate, as usual, remains contingent on any regional developments that may unfold.

Negotiators under tight security

By Lynne Richardson in Tel Aviv

LEBANESE and Israeli army officers yesterday opened negotiations in the frontier village of Naqoura under tight security in an effort to bring about the withdrawal of Israeli troops. The atmosphere at the talks was described as "cool and formal."

Heavily-armed United Nations troops surrounded the site as the Israeli delegation arrived by car from across the nearby border and the Lebanese military men—three Christians and three Muslims—flew in from Beirut.

The short meeting consisted only of opening statements by the leaders of the delegation, and procedural matters.

Brig Gen Amos Gilboa, Israel's chief negotiator, said in his address that Israel would only withdraw after peace is guaranteed for Israel's northern region.

Israel is also looking for an official role for its ally, the South Lebanese Army, perhaps as a territorial brigade within the Lebanese army proper, having responsibility for the parts of Southern Lebanon closest to the Israeli border.

No time limit has been set on the talks which are to take place three times a week, but Jerusalem understands that Syria gave the Beirut Government the green light for the talks to take place.

Israel hopes that the U.S. will engineer an endorsement from Damascus for any decisions eventually reached at Nagoura.

Israel municipal workers plan to widen pay strike

By Lynne Richardson

ISRAEL'S thousands of municipal workers are threatening to bring the country's services to a halt from Sunday, to protest against the non-payment of their salaries by local councils.

The councils, for their part, claim they do not have the means to pay their workers because the central government has not transferred the necessary funds. In previous months, the councils have resorted to taking loans from banks, but the cost proved prohibitive.

Haifa's city workers went on strike on Tuesday and municipal employees in Tel Aviv followed suit yesterday. In Nazareth and other Arab towns, council - workers walked off the job on October 22 because of the city's failure to pay them.

The strike affects many hospital staff and kindergarten teachers as well as sanitation workers. Secondary school teachers are also considering joining the strike.

New Delhi reorganises intelligence services

By John Elliott in New Delhi

A MAJOR shake-up is taking place at the top of India's intelligence services following the assassination of Mrs Indira Gandhi, India's Prime Minister, last week.

Mr Ramnath Rao, security adviser to the Prime Minister, has resigned and other changes are taking place.

This was announced yesterday as strict security arrangements introduced by the government helped to ensure that the most important Sikh festival, the anniversary of the birth of Garu Nanak, founder of Sikhism, passed off without any major incidents.

Many Sikhs regarded the day as an occasion for mourning the hundreds killed in the riots which followed the assassination. They attended services in their temples but did not hold processions in the major trouble spots.

The army sent reinforcements to many parts of New Delhi and helicopters hovered overhead watching for any trouble.

There have been widespread criticisms of security arrangements and of the immediate reaction of Mrs Gandhi's personal staff. She was shot by two members of her own security staff

One of the assassins was later killed by another security guard and the second is in hospital under intensive care.

● In Amritsar, the Sikh holy city, Guru Nanak's birthday was celebrated in unusually low key, reports AP. Giani Sahib Singh, head priest at the Golden Temple, said 25,000 men and women came to worship during the morning "but few of them dared to stay because of the large armed force outside the temple."

PLO moderates launch drive to reassert authority

BY TONY WALKER, RECENTLY IN TUNIS

THE sometimes bloody struggle for control of the Palestine Liberation Organisation appears to be approaching a watershed with PLO moderates determined to assert authority over the organisation in defiance of Syrian pressure.

Members of Mr Yassir Arafat's mainstream Fatah faction seem agreed on a course of action which, if implemented, could affect the direction of Middle East peace efforts and the character of the PLO itself.

Apart from personal antipathies between leaders of the various PLO factions, at issue is the Palestinian approach to possible peace talks, with moderates apparently prepared to countenance negotiations with Israel, in tandem with Jordan and Egypt.

> The meeting of the Palestine National Council, is scheduled for November 22 in Amman, high-level Egyptian officials told out Cairo correspondent.

Within the past week, Arafat supporters have made what they claim to be final arrangements for a meeting of the Palestine National Council, the Palestinian's parliament-in-exile.

The meeting is being held despite continuing opposition from Syria which fears its influence over the PLO would be diminished if Mr Arafat receives a fresh PNC mandate.

Relations between Mr Arafat and President Hafez Al-Assad, Syria, are, to say the least, poisonous, since Mr Assad has on several occasions allegedly sought to have Mr Arafat eliminated.

In Tunis, headquarters of Fatah, moderates are confident they have the numbers to defy any attempted Syrian veto of a PNC session.

It would be understatement to say there is intense bitterness within Fatah at what is regarded as Syrian meddling in the counsels of the PLO.

The next few weeks will determine whether Mr Arafat commands sufficient support for a credible 17th session of the 384-member Palestine National Council.

Several previous attempts this year to convene a PNC have been unsuccessful, largely because of Syrian intervention.

President Assad flew to Algiers to prevent a September PNC session. Algeria subsequently said it would not host a meeting that would deepen divisions in the PLO.

If Mr Arafat is intent on going ahead with the PNC, thereby formalising the split within the PLO, it is likely to mark an important new stage in the evolution of the Palestinian movement.

Mr Khaled Hassan, a member of Fatah's central committee and one of the most influential PLO moderates said, in an interview, that a meeting of the PNC would confirm Fatah's authority.

"We are the majority, not only as a movement," he said. "We have the unions with us and the big mainstream of the people with us . . . if Fatah disappears, there will be no PLO."

Mr Hassan described the PLO as no longer an "umbrella organisation," but an "entity." From now on, he said, the majority will prevail.

This signals a new approach to the conduct of PLO affairs which has previously depended on often messy attempts at rule by consensus.

In present circumstances, there is little choice. Reconciliation with Damascus-based factions appears out of the question.

Mr Arafat has, in a sense, been forced into this position by Syrian-backed attempts to bring him down. He has little choice but to press ahead with attempts to hold the PNC despite Syrian opposition.

Further delay will seriously undermine Mr Arafat's position. It is not something he can afford after the setbacks of the past several years.

According to Mr Hassan, a firm decision was taken three weeks ago in Tunis to hold PNC by the end of this month, probably in Amman. Since it appeared unlikely Algeria or South Yemen would provide a venue in the light of Syrian opposition.

Mr Hassan said the Tunis meeting was attended by independents and Fatah representatives. A follow-up meeting of Fatah's central committee and independent members of the 14-man PLO executive took place early last week which resolved to press ahead with the PNC.

Mr Hassan said about 260 delegates would attend the forthcoming PNC. A quorum is about 250, or two-thirds of the 384 member parliament-in-exile.

He estimated Syria could physically prevent a little more than 1[?]

If Amman does become the venue for the PNC, it would be a provocative choice, but its appeal to some Fatah members is just that.

in the country which in part

It would certainly dramatise a possible new direction for moderate elements of the PLO holds the key to a settlement of the Palestinian problem. As a prominent Fatah official said in Tunis: "We lost our house, we want to go back."

New Zealand budget aims to restructure economy

BY DAI HAYWARD IN WELLINGTON

NEW ZEALAND'S Labour Government last night introduced measures to cut government spending by NZ$1,200m (£480m) next year, to reduce the huge internal deficit, to restructure the economy and to reform extensively the taxation system.

In its first budget since taking office in July. The government also announced a number of what Mr Roger Douglas, Finance Minister, described as "painful measures," which will substantially increase many consumer prices. To counter these, the government introduced a "family care" programme to help low-income and large families.

Increased taxes and the removal of subsidies affect both consumers and farmers. They will mean a 16 cents increase in the price of 20 cigarettes, 6 cents for a nip of brandy, 4 cents for a nip of whisky and other spirits, and 2½ cents for a litre of petrol.

There will also be a 1½ cents in the dollar increase in personal income-tax for those earning more than $6,000 a year.

To offset these, the Government has granted a tax-free $10 a week allowance for every child on top of the existing child allowance. The Government also hopes this will soften trade union demands for a substantial wage increase.

Mr Douglas said for a family with three children, on the average weekly wage, the child allowance grant is equivalent to a $56 wage increase.

The budget was one of several steps including devaluation which the Labour Government planned to overcome the economic crisis facing New Zealand, Mr Douglas said. The key objectives were to promote growth and employment, reduce the internal deficit and inflation, and create a climate of greater business confidence.

The business-community could now plan ahead with confidence into the next decade, the Minister added.

It was a budget for change, a budget for recovery and a budget for the family unit. It was also the largest budget produced by a Minister of Finance for some years.

Mr Douglas admitted that some businesses would face higher costs as a result of the Government moves, but said these were mainly businesses which had benefited from previous Government handouts.

As the economy recovered, interest rates would come down naturally, Mr Douglas said. The Government did not want prices to be kept down artificially through subsidies, but preferred they should reflect their true costs.

The Government intended to promote greater competition and efficiency in both the manufacturing and farming industries while giving effective financial relief to families on low incomes.

The Government has increased the cost of its own services, including electricity, by 25 per cent, and coal by 35 per cent.

Removal of land and farm subsidies will stop the artificial inflation of land values which has fuelled inflation.

The sector which will protest most loudly at the government moves will be the road transport industry. In addition to the petrol price increase, transport companies face a rise of 46 per cent in road-user charges.

This is a tax based on the number of miles they travel and the increase will cost many companies thousands of dollars a year.

The most controversial of the Government's plans, however, will be the introduction of a form of VAT to be known as GST (goods and services tax).

This will be introduced in 1986 after consultation with the business sector and will apply a tax on all goods and services, including food, at every transaction in the production and distribution system.

Japan detects improvement in Soviet links

JAPAN HAS detected "some signs of improvement" in its relations with the Soviet Union and is urging Mr Andrei Gromyko, the Soviet Foreign Minister, to visit Tokyo next year, writes **Jurek Martin in Tokyo.**

Mr Shintaro Abe, the Japanese Foreign Minister, said yesterday that, while talks with Soviet Premier Nikolai Tikhonov at the funeral of India's Prime Minister Indira Gandhi "did not produce progress" on territorial disputes, the tone of the exchange had been better.

Thai exchange dealings upset

MOST THAI commercial banks said yesterday that they had either avoided or suspended foreign exchange dealings because of the volatile baht-dollar exchange rate but planned to resume trading today, Reuter reports from Bangkok.

Meanwhile, Prem Tinsulanonde, the Prime Minister, refused public comment on military demands that he reshuffle his Cabinet

Jakarta move on satellite

Indonesia says it would be interested in buying back the Palapa B2 telecommunications satellite if the current mission by the U.S. space shuttle Discovery is successful, writes **Kieran Cooke from Jakarta.**

Discovery blasted off yesterday from Kennedy Space Centre to rescue two wayward satellites and place two others in orbit.

Palapa B2 is now the property of the insurance syndicate which is financing the recovery attempt in an effort to recover some of the $180m (£150m) it has paid out to Indonesia and for Western Union's Westar-6 satellite.

AMERICAN NEWS

Reagan set for action on policies

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

PRESIDENT Ronald Reagan plans to capitalise quickly on his sweeping re-election victory by pushing to achieve a number of domestic and foreign policy objectives in the six to nine months of his "second honeymoon," his advisers said yesterday.

Democratic leaders in the House of Representatives, however, warned Mr Reagan that Congress would continue to act as a check on what might be Mr Reagan's "wild idea."

An unimpressed Mr Tip O'Neill, the Democratic House speaker, said that the Republicans' capture of only 13 or 14 seats in the House showed that there was "no mandate out there."

Mr Reagan, yesterday taking a post-election break at his California ranch, said that "the people made it very plain that they approved of what we're doing and approved of the fact that things are better and the economy is expanding."

Mr Bob Michel of Illinois, the House Republican Leader, confessed to disappointment that his party had not won back the 26 House seats that it lost in 1982. Mr Reagan, he said, with surprising acebity, never really "joined that issue of what it really means to have the numbers in the House."

Mr Michel added, however, House Democrats who opposed Mr Reagan's policies would have to think twice about the implications of his astonishing victory.

Mr Tony Coelho, chairman of the House Democratic campaign committee, nevertheless insisted that the Democratic forces would "provide the insurance that the people voted for." Mr Reagan had won a popularity contest, "but that all he won," Mr Coelho said.

Senior White House officials, however, said Mr Reagan would press ahead with plans to resume nuclear arms control talks with the Soviet Union, simplify the U.S. tax system, and continue cutting federal spending programmes in the early months of his second term.

One idea under discussion in the White House is the appointment of a senior official to supervise arms control negotiations, popularly known as an "arms Czar," whose job would be to try to unify conicting fiproposals in Washington about how *to deal with Moscow.*

Mr Brent Scowcroft, national security adviser to President Gerald Ford and chairman of Mr Reagan's strategic policy commission, has been frequently tipped for the post. Officials yesterday, however, stressed that no final decision had been taken.

Otherwise, White House aides said Mr Reagan would probably not want to break up a winning team by making major Cabinet changes.

Pinochet tightens restrictions on media

By Mary Helen Spooner in Santiago

GENERAL Augusto Pinochet's military regime in Chile yesterday imposed new restrictions on the media and ordered tight restrictions on *all unauthorised public meetings.*

The announcement was the first of a series of measures ordered under the two day old state of siege.

A decree published in the official government bulletin forbids coverage of terrorist attacks and political news without prior authorisation.

Five independent magazines and an opposition weekly newspaper have been ordered to halt publication and the *independent* weekly news magazine, Hoy, has been instructed to submit its material for official review prior to publication.

A second decree provides that all public meetings must be previously approved by military authorities, in an apparent effort to hinder opposition groups' activities.

In a separate action, Chilean authorities notified Santiago's Catholic archdiocese that the head of the Church's human rights group would not be allowed to return to the country.

Monsignor Ignacio Gutierrez, who presides over the vicariate of solidarity, the human rights arm of the *Catholic Church, was travelling* in Europe when the order was issued. The vicariate, which runs soup kitchens in poor neighbourhoods and provides legal and medical aid to political detainees, has been a frequent target of government criticism.

The move has heightened tensions between the Church and the Pinochet regime. Sr Jaime del Valle, Foreign Minister, said the measure to prohibit Msgr Gutierrez's return came as a result of the cleric's "intervention in Chile's internal affairs."

Meanwhile, military authorities in Santiago indicated that the midnight to 5 am curfew, in effect since the state of siege was imposed on Tuesday, will continue and will not be lifted at weekends.

Police arrested 267 people during the first two nights for curfew violations.

Nicaragua alarmed by 'USAF flight'

BY TIM COONE IN MANAGUA AND REGINALD DALE

A SUPERSONIC military aircraft overflew Managua yesterday causing alarm and raising fears of bombing raids. The Nicaraguan Ministry of Defence said the flight was by a U.S. Air Force SR71 spy plane.

The incursion occurred at 8.20 am over the Nicaraguan capital and the aircraft was heard a few minutes later over the port of Corinto, 80 miles to the north-west.

The incident mirrored a similar flight last week by an aircraft which the Nicaraguan Government reported was also a USAF SR71.

The Nicaraguan Government has also protested against the presence of two U.S. frigates in Nicaraguan waters *off Corinto.* The frigates have been shadowing a Soviet freighter which the U.S. Administration earlier this week said could be carrying MiG 21 jet aircraft to Nicaragua.

One of the frigates came to within five miles of Corinto, according to the Foreign Minister, Father Miguel d'Escoto. A C-130 reconnaissance aircraft also flew within Nicaraguan airspace over the frigates he said.

Father Miguel d'Escoto

The Reagan Administration yesterday strongly repeated its denials of Nicaraguan claims that it had violated the country's airspace and territorial waters. U.S. officials seemed to want to talk down suggestions of a major new crisis between the two countries.

After conflicting reports on Wednesday, U.S. officials said they were still not sure if a Soviet freighter unloading at Corinto carried Soviet Mig-21 fighters.

Washington has frequently warned the country's left-wing Sandinista Government not to acquire such aircraft, which it says would constitute a threat to other countries in the region. It has also cautioned Moscow against shipping them, a warning that the State Department repeated on Wednesday.

Nicaragua has formally announced that it is negotiating the purchase of modern jet aircraft but that the pilots were still undergoing training. The government junta emphatically denied on Wednesday that there were any MiGs in Nicaragua or that any were on their way.

According to a high level military official, the only aircraft to have arrived recently was a shipment of Soviet helicopters, delivered last week to augment the army's existing contingent of 12 Mi-8 helicopters and several Mi-2 helicopters. They have been used with considerable effect against U.S.-backed guerrillas in the mountains for transport of government troops and in ground attack operations.

While the Reagan Administration has deliberately never spelled out what retaliatory action it would take if the Nicaraguans received Soviet aircraft, some officials have said that a U.S. air strike would be justified to destroy any MiGs.

Critics of the Reagan Administration have constantly accused it of planning military action against Nicaragua in the aftermath of President Ronald Reagan's re-election this week—although few believe that the U.S. would launch a full-blooded invasion comparable to the Soviet Union's occupation of Afghanistan.

Iranian accused of 'chip smuggling' by Grand Jury

BY PAUL TAYLOR IN NEW YORK

A U.S. GRAND JURY has charged the Iranian president of a West German company with conspiracy to smuggle millions of controlled electronic parts from the U.S. to North Korea.

The electronic parts, many bought from major U.S. suppliers, include components for night vision goggles and semi-conductor "chips" designed to military specifications.

The indictment, filed last month by a grand jury in New *York but only made public this* week, names Mr Babeck Seroush, the 38-year-old president of International Processing Systems (IPS) of Cologne, as a key individual in an alleged web of conspiracy to engineer the illegal export of U.S. high technology products to the Soviet bloc.

Mr Seroush was arrested 10 days ago by West German police on a provisional warrant issued by the West German courts at the request of U.S. attorney's and has been remanded without bail pending completion of his extradition

The case is the latest in a series of charges to emerge from "operation exodus"—a massive U.S. customs service-led investigation designed to crack down on the export of high technology goods to Sivet bloc countries.

The Grand Jury indictment alleges that almost 1.3m parts, including components bought from National Semiconductor and Texas Instruments, were shipped by Mr Seroush to North Korea via Cologne and other intermediary points in March.

According to court papers, Mr Seroush planned the scheme in conjunction with a New York-based company called Industrial and Scientific Parts Services (ISPS), and Mr Yuri Geifman, a Soviet-born ISPS official who was arrested and indicted in New York in May on charges of purchasing controlled electronic parts from an individual working with the U.S. customs service.

The indictment alleges that Mr Seroush and Mr Geifman planned to have ISPS purchase the parts in the U.S. under the pretence that they were for domestic use or for end-users in Western Europe. The parts would then be shipped to IPS in Cologne and other places and subsequently diverted for shipment to North Korea.

Fabius visit gives Canada 'chance to strengthen links'

BY BERNARD SIMON IN TORONTO

THE ARRIVAL of M Laurent Fabius, French Prime Minister, on an official visit to Canada has given the new Progressive Conservative Government in Ottawa an early opportunity to bring an end to the long controversy on relations between France and the province of Quebec.

Welcoming Mr Fabius at a dinner on Wednesday evening, Mr Brian Mulroney, the Canadian Prime Minister, said that Canada's federal system, "far from being an obstacle to the legitimate Québec-Paris dialogue, will enhance and strengthen it." M rMulroney, a native Quebecer, told Mr Fabius that "we do not just admire France, we love her."

The relationship between Quebec and France has been a sensitive political issue since President Charles de Gaulle's famous cry of "Vive le Quebec libre" in Montreal 17 years ago.

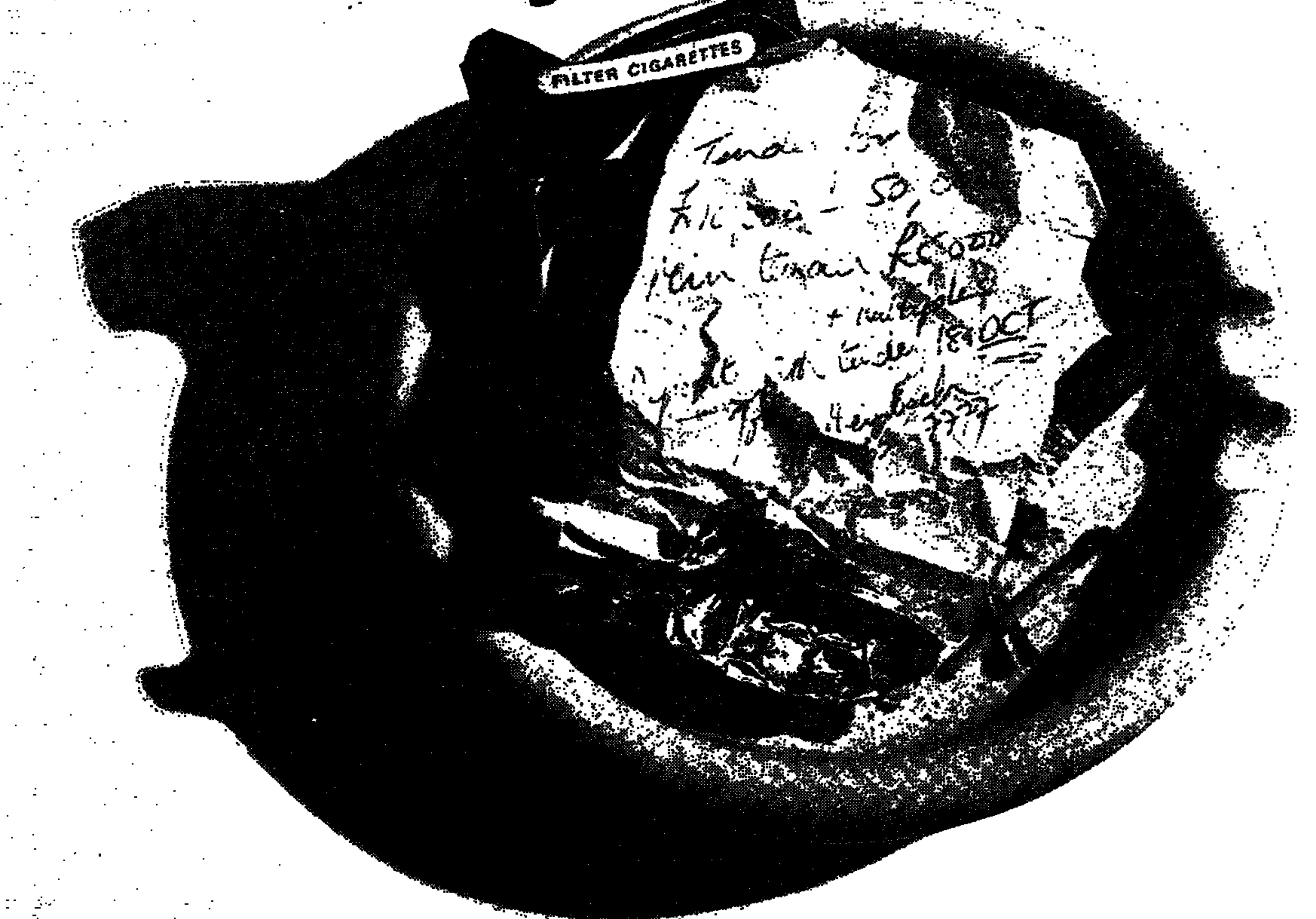
Gen de Gaulle's statement, *which appeared to lend support* to Quebec separatists seeking independence from the rest of Canada, severely strained relations between Ottawa and Paris during the 1970s.

Mr Fabius ended his speech on Wednesday evening with the words "Vive le Canada," reinforcing the policy of recent French governments not to become involved in the Quebec constitutional issue. Mr Fabius, who is accompanied by five other ministers and several industrialists, flew to Quebec City yesterday for a brief visit.

Leaders of France and Quebec have paid regular visits to one another in recent years, but the French Government has made it clear thta Quebec cannot count on its support for separatism. M Pierre Mauroy, the former French Prime Minister, told Quebec Premier Renc Levesque in Paris last year that French policy is to maintain favoured ties with Quebec without affecting "normal" relations with the federal government.

One issue which apparently has yet to be resolved is the status of the Quebec Premier at summit meetings of French-*speaking countries. Ottawa has* up to now strongly opposed Quebec's request for full government status, and signs have appeared that France has modified earlier support for the Quebec stand.

This Managing Director made the biggest deal of his life on the way home from work.



Here is yet another hazard of smoking: the scribbled-on bit of fag packet. When you're out of the office and a business opportunity crops up, you have to scrawl on something.

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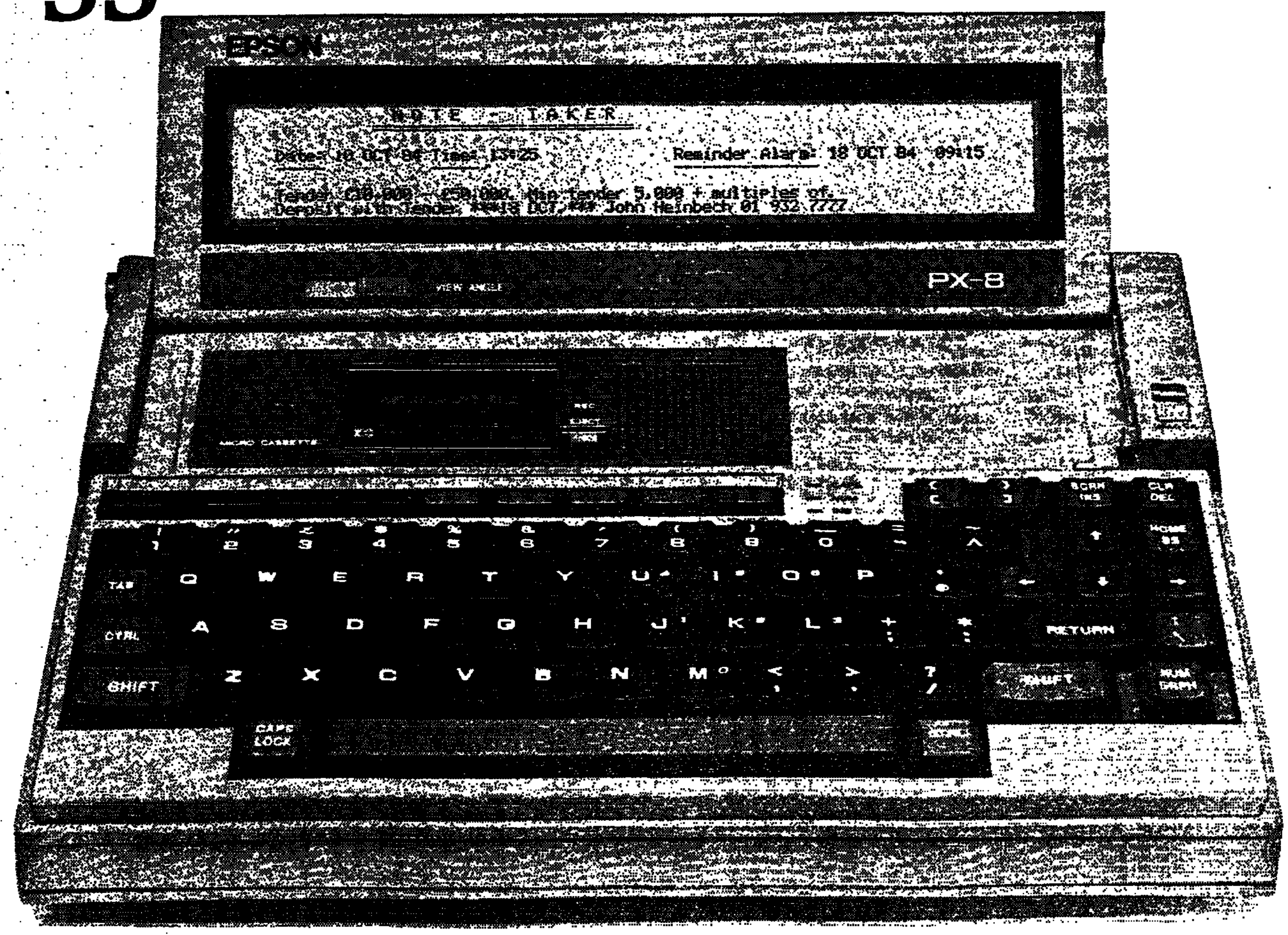

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...on the way home from work.

WORLD TRADE NEWS

UK company to build Malaysian dam after trade rift repaired

BY CHRISTIAN TYLER, TRADE EDITOR

ONE OF the first big contracts to be awarded by Malaysia to a British company since a diplomatic rift between the countries was repaired has been won by Balfour Beatty, the construction company.

With a local joint venture partner, Balfour Beatty has been commissioned to build a dam for water storage on the Sungai Ahning river near the Thai border, at a cost of some £18.5m.

The British Government is contributing several million pounds of aid money and a loan arranged and provided by J. Henry Schroder Wagg, the London merchant bank, is being backed by the Export Credits Guarantee Department.

The contract, which appears to have been secured without competition, is the first big Malaysian deal for Balfour Beatty for some 50 years.

Its success appears to be due to finding an influential local partner, Ikat Majutani, operating on behalf of the Kedah regional development authority.

The company said in London its joint venture company, Balfour Beatty-Maju, hoped to win many other projects.

The contract is for a rock-fill dam, 74m high and 280m long, a spillway, intake tower and diversion tunnel, with a "mini hydro" and 20 km of electricity transmission line.

Engineering consultants are Jurutera Konsultant in association with the Snowy Mountains Engineering Corporation. The three-year project is expected to start within a month.

Details of the financing package have still to be announced.

Malaysia had declared a "buy British last" policy in October 1981 after complaining of high-handed treatment by the British of its attempts to acquire British-owned Malaysian assets.

The sanction was called off over a year ago and a high-level British trade mission was sent to the country to reinforce the restoration of relations.

● *Esso Production Malaysia has awarded four contracts valued at a total of ringgits 67m (£22.3m) to South Korea's Daewoo Group and two Malaysian companies, Promet and Malaysian Shipyard and Engineering, for work on a production platform, AP-DJ reports from Kuala Lumpur.*

Gatt asks for proposals to stem non-tariff curbs

BY OUR TRADE EDITOR

GOVERNMENTS OF the major trading nations will be asked to produce specific proposals by May 1 next year for abolishing all "illegal" quotas and non-tariff barriers to trade.

The request is contained in a report by a working party of the General Agreement on Tariffs and Trade, considered by the Gatt's council in Geneva yesterday.

This and any other moves towards trade liberalisation will be discussed by the annual meeting of the 90 Gatt member countries at the end of this month.

Study groups have been working for two years on a number of controversial trade issues, following a largely abortive and acrimonious Gatt ministerial meeting in late 1982.

With only a fortnight to go before the final review of the work programme, the report on "quantitative restrictions" is seen in Geneva as the most positive to have emerged.

There are still hopes of building a platform for negotiations on trade in agriculture, despite EEC reservations. A better procedure for settling trade disputes in the Gatt may also be agreed upon.

The group studying quantitative restrictions has produced a 2,000-page inventory of trade barriers worldwide that flout Gatt principles.

A Gatt spokesman said yesterday the report was "*surprisingly forthcoming*" and could, if taken up, mean the first shift in a huge logjam of protectionist devices.

But it remains to be seen whether it will be enough to sweep up barriers to trade in politically-sensitive sectors such as agriculture.

Hong Kong hotels at bursting point

By David Dodwell in Hong Kong

HOTELIERS across Hong Kong were yesterday talking of three crisis days ahead as tourists and business visitors pour into the territory on a scale unmatched in five years, filling every one of its 18,000 hotel rooms. The congestion is caused partly because the tourist season is at its peak and partly because of a coincidence of several leading international conferences.

The tourist authority pointed to two reasons for the extraordinary congestion:

● First, that no new hotels have been built since the collapse of the property market two years ago;

● Second, that international publicity linked with the completion of Sino-British negotiations over the territory's future has drawn intense interest on the part of visitors who want to see it before it reverts to Communist Chinese control.

Some hotels have been forced to put guests into service apartments, into hotels on outlying islands, and have even sent guests to Macao, the Portuguese-administered territory 40 miles away across the Pearl River estuary.

Most leading hotels have been quoting 100 per cent occupancy rates since the middle of September, and are accepting no new bookings until the second week in December. They have been coping with the arrival of unannounced guests by offering them the rooms of visitors that failed to show up—but in recent weeks, even this unsatisfactory compromise has broken down, they say.

Hotel managers yesterday said that visitors without prior confirmed bookings would simply not find a room over the next three "crucial" days.

A total of more than 3m tourists are expected to visit Hong Kong this year, spending about HK$13.5bn (£1.35bn). Hotel occupancy rates are expected to rise from an average of about 83 per cent last year to about 87 per cent in 1984.

● Philips International, a subsidiary of Philips of the Netherlands, said it had signed an initial agreement with the Shenzhen Advanced Science and Technology Development Company to provide technical assistance in setting up factories to make 90,000 laser-vision players and 3.5m discs per year, Reuter reports.

Britain backs £300m export loans for Iraq

BY RICHARD JOHNS

THE UK is underwriting another £300m-worth of loans for Iraq under an agreement signed this week by Mr Paul Channon, Minister for Trade, and Mr Hassan Ali, his Iraqi counterpart.

The Export Credits Guarantee Department is offering a £250m medium-term credit for British capital goods and machinery together with an additional £250m extended-term credit for pharmaceuticals. Contracts financed by the loans must be placed by the end of 1985.

Commenting on his visit to Baghdad, Mr Channon said yesterday: "The new credit agreement reflects the importance the UK attaches to its trade with Iraq, and the agreement will help generate business worth over £660m for British companies and welcome employment for British workers."

The credit facilities are in addition to the £275m—£25m of them for pharmaceuticals—agreed in October of last year.

● The French state-owned steel company, Usinor, signed an agreement to supply FFr 450m (£39m) worth of steel products to Korean contractor Dong Ah which is building a large water pipeline associated with the Great Man-Made River project in Libya, Reuter reports from Paris.

Of the total extended under that deal and arranged by Morgan Guaranty, £210m has so far been signed up and another £13m nominated, according to the ECGD. An announcement giving details of new contracts utilising part of the cover of the finance is expected in the near future.

A general purpose line worth £85m was agreed in August. A similar amount of cover is being provided for power generators being supplied to Iraq by NEI Parsons.

The extra cover given by the ECGD reflects confidence that Iraq will be able to surmount the steep hump in its debt repayment schedule in 1985 when the amount falling due is believed to be about $3bn.

Over the past year, however, Iraq has reduced its imports and cut investment spending. From the end of next year, meanwhile, its oil exports—constricted over the past four years by the conflict with Iran—should be substantially boosted from the present level of about 1m barrels a day by completion of the pipeline, with a capacity of 500,000 b/d, connecting the country's southern fields with Saudi Arabia's trans-peninsula Petroline with its outlet at Yanbu on the Red Sea.

In addition, Iraq is planning an increase of 500,000 b/d in the capacity of the pipeline to Ceyhan on the Turkey south-eastern Mediterranean coast although it is not clear yet when this project will be implemented.

Mr Channon: welcome employment for British workers

UK, Japan at odds over computer research

BY JUREK MARTIN IN TOKYO

JAPAN AND Britain still appear to be some distance from agreement on co-operation in the field of artificial intelligence, generally known as the "fifth generation computer."

The Ministry of International Trade and Industry (Miti) is still seeking a British input into its research project known as Icot, but the two countries are having difficulty reconciling their respective approaches, especially in the relationships between government, industry and the academic world.

Additionally, Mr Brian Oakley, head of the Alvey Directorate, which was set up in the UK to encourage the development of information technology, expressed some scepticism yesterday about the progress made over the last three years by Japan. He is in Tokyo to attend an Icot fifth generation computer conference which has attracted a large international audience.

He praised Japan's "*single-mindedness*" in being able to build on time "personal sequential inference" machines: computers which have the ability to learn facts and build up information which are a basic tool of the project. But he doubted that any real breakthrough in producing a "thinking" computer had been achieved, particularly int he critical area of creating a "natural" language.

The UK and the U.S., he said, preferred to try to develop the language—how the instructions are written for the computer—and the architecture—how the computer responds to the instructions—separately, even if it meant more false starts. As it was, he said, "nobody really believes that the targets in artificial intelligence are going to be reached in five years—and Japan knows that."

He questioned, above all, Icot's methodology in its determination that a fifth generation language would have to be based on Prolog, one of the fourth generation computer languages. He felt the Japanese had committed themselves to "too narrow a path," were "*somewhat inflexible*" by UK standards and, if their chosen route proved disappointing, "could get thrown off their horses."

Mr Oakley said he thought that research being done in the U.S. at the University of Texas at Massachusetts Institute of Technology and at Stanford University was "better in quality." He added that he suspected that Icot was subject to considerable pressure from Miti to "get results," which is why it had focused initially on the machinery.

These reservations on the research side have, perhaps, compounded the more practical aspects of bilateral collaboration. *Japan first contacted the* UK when Icot was unveiled three years ago, and talks have continued regularly since then between Miti and the Department of Trade and Industry, though the British response was delayed because its Alvey project was still being put together.

The sticking point in the talks over the last six months however has been that whereas Icot is totally funded — and indeed owned — by Miti, Alvey involves both government and industry sponsorship.

About four-fifths of Icot's research is in fact conducted by eight Japanese companies, however, including some of the best known technological companies such as Fujitsu. Mr Oakley said the commercial spin-offs from Icot-related research, in, for example Prolog-written "expert systems," where the knowledge of an expert such as *a doctor or solicitor* can be stored in a computer so that a non-expert can use it, would be "enormous."

Miti has now proposed that UK companies involved with Alvey, such as Plessey and ICL, should co-operate directly with their Japanese counterparts; but this, it is felt, could inject a commercial element into what is supposed to be high-level research; it might also run foul of existing technological exchange agreements, such as that between IVL and Fujitsu.

Japan has also proposed that British academics from Imperial *College and Manchester University*, in particular, be seconded to Icot. But this, Mr Oakley said, would be "a dead loss to the UK," especially in light of the manpower problems Alvey had encountered.

Semiconductor orders slowing for European producers

BY PAUL BETTS IN PARIS

EUROPEAN semiconductor manufacturers are beginning to brace themselves for a difficult year in 1985 after the boom in the business in recent months, M Dedy Seban, the European marketing director of Motorola's semiconductor division, warned in Paris yesterday.

New semiconductor orders were already slowing in the European market and the book-to-bill ratio (the key measure of the semiconductor market showing the ratio of new bookings to billings) is expected to go below 1 in Europe in the fourth quarter of this year.

The *book-to-bill ratio* has so far been over the psychological 1 point mark this year in Europe, although it has already dropped below this level in the U.S. market. M Seban said in the third quarter the ratio in the U.S. stood at 0.84 and had dropped to 0.74 in the months of September and October.

Although billings are expected to show flattering results for semi-conductor manufacturers next year in Europe, the fall in the rate of new orders is bound to put pressure on prices and on the marketing operations of major producers.

M Seban expects the European market for semiconductors to grow by about 20 per cent next year to around $5.4bn (£4.2bn). The forcast of Motorola for this year is a European market totalling between $4.6bn-$4.7bn in sales representing a major rise from the $3.2bn sales in 1983 in Europe.

The Italian and Swedish markets are both expected to show strong growth next year while the rate of growth is expected to ease in the major European markets.

The French market is expected to grow by 18 per cent next year or by about two points lower than the European market as a whole.

In 1981, the French market was slightly larger than the UK market with sales of about $520m compared with $510m for Britain. However, the UK is expected to show sales of $1.1bn this year compared with sales of $670m for France. West Germany continues to be the largest market with sales this year expected to total about $1.3bn.

Papandreou seeks to boost trading links

By Andriana Ierodiaconou in Athens

DR ANDREAS PAPANDREOU, the Greek Prime Minister, will seek to boost trade links with Syria and Jordan during visits to both countries this week.

The Prime Minister left for Damascus, his first stop yesterday, where discussions are expected to include the possibility of developing an existing ferry link between Greece and Syria into a boat train and truck service for the transport of goods between continental Europe and the Middle East.

Fully loaded vehicles would board at Volos on the north-eastern Greek coast and continue their journey by land from Lattakia in Syria.

The Syrians are expected to press for an increase in exports to Greece in the form of fertilizers, phosphates, oil and agricultural goods. In 1983, the trade balance between the two countries was about Drs 1bn ($8m) against Syria, mainly attributed to a halt in oil and cotton exports to Greece.

Moscow orders gas pipes from Klöckner

BY LESLIE COLITT IN BERLIN

THE SOVIET Union signed a DM 300m ($102.3m) contract with Klöckner Trading Company for large diameter pipes to be used in the Soviet natural gas pipeline network. Orders for pipes have buoyed West German-Soviet trade this year, which expanded 14 per cent in the first half of the year.

In May Moscow ordered 350,000 tonnes of large diameter pipe from Klöckner worth DM 375m. In both cases the pipes are made by Bergrohr GmbH which produces pipes of a special diameter Klöckner Trading arranged the financing and sale of the pipes.

Last October Mannesmann signed a contract with the Soviet Union to deliver 340,000 tons of large diameter pipe.

Delivery of pipes in the latest Klöckner order is to take place during the first nine months of 1985. The company said it did not know where the pipes were to be used but that a portion of those ordered earlier this year were believed to be destined for the Urengoi pipeline from Western Siberia to the western border of the Soviet Union.

West German exports to the Soviet Union rose 19.7 per cent last year to DM 11.2bn, while imports were 4.5 per cent higher at DM 11.8bn.

Herr Otto Wolf von Amerongen, head of the German Chamber of Industry and Commerce said after a recent visit to Moscow he was convinced the Soviet leadership did not want Soviet-West German trade relations to be affected by current East-West tensions. Herr Wolf, who heads the Eastern Trade Board of German industry, said Soviet economic officials told him of plans to expand economic, technical and scientific ties with West Germany.

● Usinor, the French state-owned steel company signed an agreement to supply FFr 450m ($50m) worth of steel products to a Korean contractor building a large water pipeline in Libya, Reuter reports from Paris.

Usinor will provide 40,800 tonnes of pre-stressed wire and 60,000 tonnes of hot-rolled coils to the Dong-Ah group.

Upmarket lift for Swiss watch industry

By Anthony McDermott in Geneva

THE "upmarket watches" of Geneva – the valuable ones encrusted with jewels, with gold bracelets, and names such as Eterna, Omega, Patek Philippe and Piaget – are at the heart of the recovery of Switzerland's watch industry, according to M Jacques Duchene, vice-president of the Watches and Jewelry Association of Geneva, opening the organisation's 55th exhibition.

The Association, which was founded in 1942, has 24 exhibitors.

M Duchene said: "The industry's economic and business indicators are by and large favourable. We have... to confirm that our members remain at the leading edge."

The industry has been crippled in the last decade by competition from abroad, and underwent radical reorganisation in 1983.

According to the Watchmaking Federation, exports should reach SwFr 3.8bn ($2.2bn), just below the record year of 1981 when they were worth SwFr 3.9bn. Last year exports amounted to SwFr 3.4bn.

UK NEWS

Treasury compromises over spending targets

BY PETER RIDDELL, POLITICAL EDITOR

THE TREASURY has had to compromise slightly over its public spending target for 1985-86 following last-minute concessions over electricity prices and housing investment, after the direct intervention of Mrs Margaret Thatcher, Prime Minister, ahead of yesterday's decisive Cabinet meeting.

Mr Nigel Lawson, Chancellor, of the Exchequer will announce the results of the public spending review in a House of Commons statement on Monday afternoon, together with the latest Treasury economic forecasts. Full details of the spending plans up to 1988 will be published in a White Paper next February.

The official Whitehall line yesterday was that the Cabinet had reached a "satisfactory outcome" at its three-hour meeting, but there was little dispute in Westminster last night that the Treasury had had to give ground since the Prime Minister had sided with spending ministers over energy prices and housing.

This was indicated by the delighted response of the allies of these ministers. Nevertheless, the extent of the adjustment or fudge, in relation to total planned expenditure of £131.6bn is relatively small, and Mr Lawson is expected to be able to point to some scope for tax cuts in the spring Budget.

The key decisions were taken at late night meetings on Wednesday by the Prime Minister together with Mr Peter Walker, the Energy Secretary, and, separately, Mr Patrick Jenkin, the Environment Secretary, and Mr Ian Gow, the Housing Minister.

Electricity and gas prices will rise roughly in line with the expected inflation rate. This will mean an increase of roughly 4½ per cent in electricity prices from next April and a rise of about 5½ per cent on average in gas prices from January. The outcome is in line with what Mr Walker has been arguing since last June and compares with rises of 7 to 8 per cent being sought by the Treasury.

At yesterday's meeting the Treasury had to forgo most of the £750m of cuts which had originally been asked for from the Housing and Agriculture budgets, and it obtained only a small part of the additional £300m to £400m which it had wanted from increased electricity and gas prices.

Housing investment is to be cut by £65m next year, compared with the original Treasury call for a reduction of £600m and a more recent proposal by the so-called Star Chamber committee of the Cabinet for a cut of £572m. This will probably mean a cut of at least £100m in house improvement spending, offset by some rise in expenditure on housing renovation.

The outcome represents a victory for the strongly-expressed views of Mr Jenkin and Mr Gow that it would be wrong to cut such programmes given the existing problems of the construction industry

Editorial Comment, Page 14

£100m cut sought in nation's drug costs

BY IVOR OWEN AND CARLA RAPOPORT

THE GOVERNMENT intends to cut an estimated £100m from the drug bill for the National Health Service (NHS) by instructing doctors to substitute less expensive, non-branded drugs for branded products when treating common ailments like colds, indigestion and anxiety.

Mr Norman Fowler, the Social Services Secretary, told the House of Commons yesterday that tonics, cough remedies, pain relievers, tranquillisers and sedatives cost the NHS about £160m a year. Many of these products, he pointed out, could be bought from a retail chemist without the need to consult a doctor for a drug prescription.

Britain's drug industry was shocked by the news yesterday. The move comes less than a year after Mr Fowler lopped £100m off the annual NHS drug bill by cutting the industry's profitability.

Mr Richard Baily, managing director of Lilly Industries, whose pain relievers Distalgesic is planned to be removed from NHS prescribing, said last night: "I am absolutely shocked that Mr Fowler would do this without any consultation with the industry."

Mr Fowler said he intended to discuss the proposals with the industry, but wanted to have the new scheme working by April. The industry would be consulted, he said, to ensure that essential drugs for treating particular conditions were not accidentally excluded from NHS prescribing.

The British Medical Association, representing doctors, said last night that the move was one of the biggest changes yet in the NHS. The provisional list of drugs to be dropped, it said, appeared to include certain drugs for which there were essential medical uses.

Drugs which will be recommended to be dropped from NHS prescribing include Hoffmann-La Roche's Valium, Parke-Davis' Benylin, Wellcome's Actifed and a number of other products made by Lilly, Sterling-Winthrop and Glaxo.

The Government is understood to be looking at more ways to reduce the NHS drug bill.

Output falls, Page 10

Miners claim public relations coup as pit vote backs strike

BY JOHN LLOYD, LABOUR EDITOR

THE NATIONAL Union of Mineworkers (NUM) had a rare – if qualified – public relations victory, yesterday when a majority of miners voting at Bersham colliery in North Wales decided to continue support for the strike.

The vote, of 154 to 145, was immediately hailed by Mr Arthur Scargill, the NUM president as confirming support for the militant line. "When the Bersham branch voted on this issue in March the result was 60 per cent against strike action. The change demonstrates the fierce determination of miners and their families to save our industry," he said.

At Bersham and elsewhere yesterday the drift back to work continued at its new high rate, however. The National Coal Board (NCB) claimed 245 miners returning to work yesterday, making the week's total up to 1,900. One of the returning miners went in to Cortonwood pit in South Wales, the threatened closure of which was one of the flash points for the 35 week-old dispute.

Transport unions will meet today with Mr Peter Heathfield, the NUM general secretary and Mr Mick McGahey the vice president to review ways of stepping up support for the miners.

The transport unions remain the NUM's most loyal allies, but they are paying the price – the train drivers' union Aslef is distributing £1,000 a day to maintain the pay of members sent home for not crossing picket lines, and has so far paid out £250,000.

● Weekly coal deliveries by the NCB, which have been rising steadily since the end of the summer, may this week reach 1m tonnes for the first time during the miners' strike.

● A progress report on the sequestration of the assets of the NUM will be made to the High Court today. Sequestration commissioners will also ask the court for directions about their next moves.

Mercury granted operating licence

MERCURY Communications, the private telecommunications network operator, was granted its operating licence by the Government yesterday.

The licence gives Mercury similar rights to British Telecom (BT) to operate a telecommunications service in the UK and internationally. The licence was first published in July for public discussion. The main change since then has been that Mercury is now required to provide a service in Scotland and Wales within five years.

Mercury originally planned to concentrate on the main business locations in England and successfully resisted government pressure to commit itself to provide a national service.

Sir Douglas Lowe, chairman of Mercury, said yesterday: "For nearly three years we have been operating in an increasingly competitive market without the benefits historically enjoyed by BT.

"The new licence puts us on a fairer footing and will allow us to react efficiently and swiftly to rapidly expanding and varied market demands to the direct benefit of our customers."

□ SUBSTANTIAL provisions are expected to be made for trading losses by the British National Oil Corporation (BNOC) in the year 1984-85.

Losses incurred in sales of state participation crude, which the corporation is obliged to market for North Sea producers, exceeded assets – estimated at about £30m – by mid-September, according to a Department of Energy minute submitted to parliament.

BNOC has had to cover the cost of the official selling rate for North Sea crude varieties and much lower prices on the spot market, where it has had to dispose of 200,000-300,000 barrels a day.

□ ICI has confirmed that it is to acquire Coe Laboratories of Chicago, one of the largest privately-owned dental companies in the U.S. The acquisition is part of ICI's new strategy of selective acquisitions in the higher technology sectors.

□ THE EEC has agreed to pay half the cost of the £2.1m second Severn River crossing feasibility study recently commissioned by the Government in response to mounting concern about traffic pressures on the existing bridge in the west of England.

□ HAMBROS BANK has become the first UK bank to take a seat on the European Options Exchange in Amsterdam.

□ ULSTER voters will have to produce proof of their indentity at election times under legislation aimed at eliminating illegal use of votes at polling stations.

□ VIRGIN Atlantic's latest £16 low fare to Holland could force other European carriers to cut prices substantially, Mrs Lynda Chalker, Transport Minister, said. The new Virgin fare will be introduced next week.

Commons statement demanded on JMB

BY DAVID LASCELLES, BANKING CORRESPONDENT

DR DAVID OWEN, leader of the Social Democratic Party, yesterday called on Mr Nigel Lawson, the Chancellor of the Exchequer, to make a statement in the House of Commons to explain the Bank of England's commitment of £75m of its own resources to cover potential losses at Johnson Matthey Bankers (JMB).

He said the £150m indemnity package agreed on Wednesday night by the Bank and a group of banks "only underlines what we have been challenging the Chancellor over, namely the exposure of public money through the Bank of England with no public accountability or explanation."

Dr Owen accused Mr Lawson of "shuffling off" his responsibilities to the Governor of the Bank of England. In a letter to Dr Owen last week Mr Lawson said the Bank did not need the Treasury's permission to arrange the rescue of JMB, which nearly collapsed a month ago, and referred him to the Governor.

The Governor is expected to respond personally to Dr Owen today in a letter which will be made public.

The indemnities are supposed to cover losses JMB suffers on its commercial loan book over and above its £170m capital. It was confirmed yesterday that the agreement allows the participating banks to share in whatever profits are made when JMB is sold back to the private sector, which is the Bank's intention.

● Mr Mahmoud Sipra, the shipowner who is suing the Bank and JMB for $300m over their attempts to wind up his companies, is alleging that they have ulterior motives in seeking to drive him out of business, in papers filed with the New York Supreme Court.

The financial troubles of Mr Sipra's shipping empire are said to be one of the causes of JMB's difficulties.

Detailing his own financial position, the papers say Mr Sipra's companies had total credit facilities of $56m from JMB when it was rescued last month, and $23.5m in deposits. The loans were secured on Mr Sipra's family home, the proceeds of Jigsaw Man, the film he has just released on the U.S. market, Mr Sipra's film studio in Ireland, and Mr Sipra's personal guarantee.

In the 12 months to last September Sipra companies paid interest totalling $9m to JMB. Last June, when Mr Sipra was negotiating to buy the Irish studio, JMB gave a positive recommendation to the Dublin branch of the Ulster Bank saying, according to a quotation in the court papers: "Mr Sipra is a valued client of the bank and we hold him and his companies in good standing."

Peter Riddell adds: The Labour Party yesterday officially intervened for the first time in the controversy over the Bank of England's rescue of JMB. Mr Bryan Gould, Labour's trade spokesman, wrote to Mr Lawson to call for "an early and comprehensive statement" on the affair.

He asked whether Mr Lawson was satisfied with the Bank's handling of the case, about the consequences for the category of "recognised" banks, and about the circumstances in which public money should be used to rescue failed City of London institutions.

Mr Gould said there was disquiet about the Bank of England's apparent failure to exercise adequate supervision, and pointed to the scepticism about assurances that no call would have to be made on public money.

Kinnock loses 'windbag' image and gains in political weight

BY MARGARET VAN HATTEM

MR NEIL KINNOCK'S second parliamentary session as leader of the opposition Labour Party, appears to have got off to a flying start.

Political reputations often fluctuate as erratically and inexplicably as share prices, and few in the Palace of Westminster could tell one precisely why Mr Kinnock's shares have suddenly soared. Yet suddenly even Tory backbenchers, who had nothing but scorn for the "Welsh windbag" last session, are remarking that he appears to have found his feet.

Newspapers more noted for their support for the Government are suggesting that he is in control of his party and there seems to be general approval – except among the Labour far left – for his refusal to get down into the trenches with Mr Arthur Scargill, the president of the National Union of Mineworkers (NUM).

Barely a month ago, his new-found admirers were pronouncing Labour's party conference a disaster and suggesting that Mr Kinnock was little more than Mr Scargill's pawn. So what has changed? Little of substance but – especially in the hothouse Westminster atmosphere – quite a lot in the way of mood. MPs are finely-tuned mood detectors and they have already picked up a new confidence in the recent performances of the Labour leader, who succeeded Mr Michael Foot just over a year ago.

Those on the left of the Labour Party who are watching Mr Kinnock closely for signs of "betrayal" and a further swing to the right will find little new to explain the tide in his favour. For there is no change in the content of his speeches. From the moment he was elected Labour leader, he began urging the party to look outward to reacquaint itself

Mr Neil Kinnock

with the electorate and think a little more realistically about how to win the support needed to put Labour back into government.

If his warning to the Labour conference that policy discussions were useless if Labour did not win elections sounded ominous to them, if his suggestion at a rally in Cambridge last month that Labour must win the support of the "haves" if it is to help the "have nots" set off alarm bells, then at least they cannot complain of any inconsistency.

Nor has there been any basic change in Mr Kinnock's attitude to the coal dispute. From the start, he has supported the striking miners while making clear his disapproval of Mr Scargill's go-it-alone tactics. Consequently, the attacks and accusations of betrayal coming from the far left over his refusal to appear at a series of rallies organised this month by the NUM president sound disingenuous, as does the praise and approval his action drew from the media and from members of the Tory Party.

Yet while there has been no change in content, there has been a change in style. Mr Kinnock's recent House of Commons performances – notably his speech in last week's unemployment debate and his reply to the Queen's Speech – have had very good notices.

Among the more polished Commons performers, the view is that his timing is better, his sentences crisper and more incisive. There is more matter and less manner than before. His response to incidents such as the Brighton bombing and the assassination of Mrs Gandhi were widely felt to have struck precisely the right note.

Against the background of the coal dispute, which has hobbled Labour inside and outside parliament, some things have been going Mr Kinnock's way. Party conference presented him once again with a national executive committee on which he held the balance of power, so that most of the policy committees are now chaired by members on whose support he can count.

The newly elected Shadow Cabinet, while it may be more right-wing than he might have wished, is dominated by men more interested in winning elections than in reverting to the policies of the Callaghan years for the sake of it. The far left is slowly being isolated from those who supported Mr Tony Benn, the left-wing MP, in the 1981 deputy leadership contest, but have since forgiven Mr Kinnock for not doing so.

Whether all that owes more to good luck or good management is an open question. What it does mean is that, at last, Mr Kinnock appears to be acquiring political weight.

Low-tar cigarette action lost by BAT

By Lisa Wood

BAT INDUSTRIES' controversial Barclay cigarette has run into further trouble over its low tar and nicotine claims after a Swiss court decision.

The decision prohibits BAT (Suisse) from selling and advertising Barclay cigarettes in Switzerland with the printed declaration: "One mg tar – 0.2 mg nicotine."

A similar ruling was made last year in the U.S. after complaints by BAT's competitors, who dispute claims made by BAT over the levels of tar and nicotine in the cigarette. Preliminary injunctions are also being sought against the cigarette in West Germany.

The ruling in Switzerland this week from the highest federal court, upheld a local court decision on the cigarette earlier this year.

BAT Industries said yesterday, however, that the ruling came from a preliminary hearing and the issue had to go to a further hearing – for a permanent injunction – where it believed its case would be vindicated.

The litigation concerns the new cigarette's filter and claims by BAT's competitors, including the Swiss subsidiary of R.J. Reynolds, the U.S. company, that the cigarette delivers a higher quantity of tar and nicotine than those indicated on the packaging when smoked by a human and not on a testing machine.

BAT launched Barclay in Switzerland in October 1982 and has an estimated 4.5 per cent of the Swiss cigarette market. The company declined to say yesterday whether it was attempting to produce cigarettes for the Swiss market minus the tar and nicotine claims.

Cheap imports bring fall in pharmaceutical output

BY CARLA RAPOPORT

UK pharmaceutical output has gone into an unexpected decline in 1984, largely because of competition from imports of cheap drugs from the continent.

According to government and industry statistics the output of pharmaceuticals fell 2.8 per cent in the first seven months of 1984, compared with 1983. This reversal, the first in four years, made pharmaceuticals the worst performing sector of the chemical industry during the period. Last year the industry's output grew 5.6 per cent.

Dr John Griffin, president of the Association of British Pharmaceutical Industry (ABPI), said the figures gave cause for concern.

"We have consistently warned the Government that continued inactivity in controlling parallel imports would have a deleterious effect on productivity and employment in this country."

The Government announced plans to license parallel importers earlier this year, but only one licence has been issued. The Department of Health said it had been "inundated" with about 1,300 requests to import drugs from abroad.

The ABPI said there was no evidence of an overall decline in demand for medicine in 1984. At the same time exports have increased 10 per cent in the first seven months of 1984, compared with the same period in 1983.

The ABPI reckons that parallel importers account for sales of about £140m a year, or about 10 per cent of the wholesale drug market in the UK.

Dr Griffin said: "The main explanation for the recent decline in production is that parallel imports, mainly from France, Belgium and Italy, are leading to a decline in demand for UK manufactured products."

He said the Government's recent curbs on drug industry profitability – which resulted in lower drug prices for the National Health Service – had contributed to the decline in sales growth in the period. He stressed, however, parallel imports were of greater importance. According to industry figures the growth in sales of pharmaceuticals slumped to 4.2 per cent in the first half of 1984 compared to 1983. In 1983 sales grew 9 per cent, compared with 1982.

Dr Griffin said the Government's inactivity on parallel imports was related to "their desire to use it as a means to reduce prices" charged by UK manufacturers to the NHS.

This approach "provides no financial benefits to taxpayers or the NHS, but does involve increased risks to patients."

Short reduces losses to £2.4m

BY OUR BELFAST CORRESPONDENT

SHORT BROTHERS, the state owned Northern Ireland aerospace company, sharply reduced its losses to £2.4m ($3.0m) in the year to March 31 1984.

The annual report, issued yesterday, confirmed the company's progress towards profitability. Losses were down from £19.1m in the preceding 19 months and a profit is expected in the current year.

The Government wants to return Shorts to the private sector but must wait until it is firmly back in profit and able to make healthy forecasts. The company produces aircraft, missiles and aircraft components.

Sir Philip Foreman, chairman and managing director, said in his report that turnover, at £163m, was 28 per cent above the average level in the previous 19 months – the previous accounting period was extended to bring Shorts into line with state industry practice.

Sir Philip said although heavy interest payments, caused by the artificially high gearing of the company, had turned a trading profit into an overall loss, the results were a significant improvement.

Aerospace markets were fiercely competitive and the company would only survive if it continuously upgraded its technology. Progress in the past year gave a basis for confidence in the future, he said.

Shorts' biggest division is commuter aircraft. Sales, at £88m, were more than double previous levels. The Shorts Type 360 sold very well although it now faces competition from new entrants to the market.

The biggest coup was the sale of Sherpa transport aircraft to the U.S. Air Force in Europe, a deal worth £115m which could rise to £460m if options are taken up.

Package tour users may face credit bar

By Arthur Sandles in Toronto

THE USE of credit cards for the purchase of package tours could be banned as a result of a long-drawn-out wrangle between the card companies and travel authorities over who pays out when a tour operator stops trading.

Arguments have been going on since the Laker collapse in 1982. The view on one side is that under consumer credit legislation people who pay for tours with credit cards should get their money back from the card company if they do not get a holiday. The view of the card companies is that this is not the case.

Mr Eric Sutherland, chairman, told the annual convention of the Association of British Travel Agents (Abta) in Toronto that it was possible that a "no credit cards rule" would be inserted in tour operating licences.

Attempts in the past two years to reach a compromise between the card companies, Access and Barclaycard, and the Air Travel Reserve Fund which is the last resort for the repayment of customer losses in the event of tour company collapse, have foundered he said.

"It is nothing less than a scandal that the anomaly which first came to light after the Laker crash, which discriminates against customers who pay by credit cards, should still be unresolved nearly three years after the event."

The obstacle seems to be the fund's insistence that credit card companies should not only meet their customers' losses but also contribute to the costs of tourists on holiday when a company fails.

Rapid growth predicted in desk-top computers

BY ALAN CANE

PERSONAL computers that modify the way they operate to suit the behaviour of their users will be on the market within two years, a leading computer expert predicted in London yesterday.

At the Financial Times second personal computer conference, Mr William H. Gates, chairman of Microsoft Corporation, said that prototypes of what he called "softer software" were already working in Microsoft's laboratories. The new software would mean that personal computers would take on some of the attributes of a personal assistant: they would behave as if they had common sense.

Mr Gates said that although only 8 per cent of office workers had a personal computer on their desk at present, in two years the figure would be over 40 per cent and 100 per cent in five years or so.

The key issues, he thought, in bringing that about were the development of common industry standards, effective ways to link personal computers in networks and better ways of operating them using graphics and techniques such as softer software.

The conference themes – the need for standardisation, the risks involved in competing with IBM, the importance of effective advertising and secure distribution channels – reflected the growing maturity of the personal computer industry.

Ms Louise Kehoe, the Financial Times U.S. West Coast correspondent, compared it to a Wild West showdown with a fast-shooting IBM forcing its competitors to take cover: "IBM is making the personal computer market a very unpleasant place for its competitors," she said, pointing to the launch of its new high powered PC-AT model and its moves in personal computer software. "For the first time, IBM has leapt ahead in personal computer technology."

Some U.S. companies, notably Osborne, Victor and Gavilan, had already bitten the dust, she said. Others were sure to follow, especially in the period after the pre-Christmas buying spree. (Most personal computers are bought in the U.S. in the fourth quarter of the year to take advantage of the tax laws).

FINANCIAL TIMES
Professional Personal Computers
CONFERENCE

Mr Ben Rosen, venture capitalist and chairman of Compaq Computer, argued that it was possible to compete with IBM if a company developed a product that was superior to IBM's and that established its own sales channels. "You have got to be first and you have got to be better."

Compaq, established two years ago and with $111m sales in its first year, is the fastest growing start-up company in U.S. history. It makes a portable computer that is compatible with (operates in an exactly similar manner to) IBM's Personal Computer, the market leader worldwide.

Mr Rosen said prerequisites for success were exceptional people, excellent product and marketing strategies, substantial financial resources, a world presence and the determination to meet targets. "But there has never been a moment to relax," he warned.

Mr Richard Matlack, president of Infocorp, a U.S. market consultancy specialising in personal computers, told the conference that although there had been some softening during the summer of 1984, there was still substantial room for growth in the personal computer market. The annual growth rate seemed likely to stay at about 30 per cent compounded.

In total numbers of units sold, Commodore and Apple were the market leaders but in medium-sized and "Fortune 500" companies, IBM clearly dominated the market with Apple in second place.

He was concerned that Apple, with its innovative Macintosh and Lisa machines, had established product families that were not compatible with each other – "a difficult obstacle to overcome in the mind of the user."

Apple and Commodore were candidates for takeover, he thought, while IBM might protect itself by concentrating on proprietary hardware and software at the expense of industry standards.

The days of the "stand-alone" personal computer without the means to communicate with other computers were numbered, said Mr Robert Hughes, vice-president for business and office systems marketing for Digital Equipment.

There would be "explosive" growth in truly portable computers, Mr Dan Terpack, general manager of Hewlett-Packard's portable computer division, told the conference.

Surveys had shown that two thirds of all professionals were sufficiently mobile in the course of their duties to make use of a portable machine. The kinds of executive who would use such a device were marketing managers, salesmen and estate managers.

"We are scared that people will roll over and play dead when faced with conventional computing," Mr Mike Murray, director of marketing for the Apple Macintosh, said.

"We have a different view of the computer business," he said. His company was selling to people anxious to improve the quality of their work but who did not want to learn about computers. "To date, personal computers have been made for people who do not mind working, like a computer, in 1960s technology."

Mr Susumu Aizawa, senior managing director of the Japanese Epson Corporation, which developed the world's most popular microcomputer printers, also addressed the conference. He pointed to the importance of synergy between the needs of the microcomputer business and other business and consumer areas in driving down the price and raising the quality of personal computer peripherals, such as printers and memories.

Marks and Spencer to sell software

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

MARKS AND SPENCER, Britain's biggest retailer, is entering the fast-growing personal computer market. It will start selling a range of computer software from next week.

The move is part of the company's policy of moving into new market areas and away from its traditional reliance on clothing sales. Last month the company's interim financial results revealed that, for the first time, Marks and Spencer had a greater proportion of its sales from trading areas other than clothing.

The computer software to be offered is designed for use with the Sinclair ZX and Spectrum 48K computers. Marks is offering three main software programmes: a beginners programme, a pack containing two games, and a games maker enabling the computer operator to create new games.

The company will soon select the site for its first out-of-town store. Speculation in the retail trade suggests that the Gateshead area in the north east of England may be chosen.

Marks' decision to seek out-of-town store sites, announced earlier this year, is part of a growing reluctance by major retailers to put new stores in traditional town centre locations. Retailers are concerned that poor car parking and access facilities in towns may deter some shoppers, while local authorities have also imposed restraints on retailers seeking large store sites within town centres.

Mr John Richards, a senior retail analyst with stockbrokers Capel Cure Myers, points out that the Marks and Spencer move to out-of-town sites is not likely to mean a dramatic change for the company.

"Our guess is that in the early 1990s, Marks might be operating around 275 stores in the UK, of which five or six might be larger, out-of-town developments," he said.

Bill will limit Heathrow traffic

Michael Donne, Aerospace Corresponent

THE DEPARTMENT of Transport plans to introduce a parliamentary Bill soon that will give it the power to control the number of aircraft movements at London's Heathrow Airport for environmental reasons.

Plans for an upper limit of 275,000 transport aircraft movements a year at Heathrow from the end of 1985 were laid down by the Government some time ago.

The Transport Department is studying many detailed responses to its request for opinions on the plan. So far the responses from the airlines have been overwhelmingly opposed to any ceiling on aircraft movements at Heathrow, with the rider that, if a ceiling is insisted on by the Government, it should be raised to 330,000 movements.

Any ceiling would have to be controlled by the Government, and not by the British Airports Authority, which owns and runs Heathrow. This is because much wider implications are involved. It will, for example, be necessary for the Government to tell airlines that they must move some or all of their services from Heathrow to other airports, such as Gatwick or Stansted.

This could bring diplomatic repercussions if foreign airlines were involved – as is almost inevitable – and the Government would need the force of law to be able to implement its decisions if necessary.

● The long-awaited report from the planning inquiry into the future development of London's airports is expected to be delivered to the Department of Transport soon.

The inquiry studied the alternative proposals of developing either a fifth passenger terminal at Heathrow, or improving the existing Stansted (Essex) airport, to cope with future air travel to and from London and the south east of England.

MANAGEMENT

EDITED BY CHRISTOPHER LORENZ

Videocassette production

Why 3M opted for a 'lifetime guarantee'

Robin Reeves on standards being set at the U.S. group's Welsh plant

YOU HAVE to dress up like a spaceman or woman and take an air shower before entering the manufacturing area at 3M's European video cassette plant at Gorseinon, near Swansea, these days. It is just one sign of the commitment to quality which 3M is now pursuing as it drives for a larger share of an international videocassette market suddenly plagued by overcapacity.

A more public sign has been a television advertising campaign promising a "lifetime guarantee" for its videocassettes—a claim which 3M maintains has helped push its share of the UK videocassette market up from 8 per cent to 20 per cent in just over a year.

The concept of a lifetime guarantee resulted from corporate soul searching to establish—in the face of intensifying competition—just what 3M would need as its quality standard.

Videocassette capacity has altered radically. Whereas last year world production was calculated to be only sufficient to meet 70 per cent of demand, this year potential supply is reckoned to have jumped, as a result of worldwide investment in new plant, to some 200 per cent of demand.

3M began to re-appraise its competitive position three years ago when it first launched its Quality Emphasis Programme. *This is not to say that, until then, it had never regarded quality as important.* Far from it. Quality had always been second priority after safety.

But the Welsh plant decided to seize the problem by the scruff of the neck and embrace the quality philosophy and practice advocated by Philip B. Crosby in his seminal book—Quality is Free. A former ITT director, Crosby enunciated a series of steps necessary for a business to perfect its quality, the last of which is "Do it all over again."

The basic Crosby approach is that quality must be achieved by error prevention—not by sieving out defects—and that the goal is "zero defects." That is, the company's products and services will conform every time to customers' requirements and specification.

Denis Sheehan, 3M's plant manager, is the first to emphasise that commitment to quality has to start at the top and involves a complete change in management style and practice. "It is not easy. It requires a lot of money being spent on capital equipment, training and human resources. It also requires hard decisions, such as being prepared to shut down the plant completely in order to remove an imperfection from the system.

Expensive

"On the other hand, quality is a key measure of performance. In British industry, we have to get away from the idea of tolerating failure, not least because it is expensive," he stresses. It means waste, quality control inspectors and extra maintenance which can account for as much as 30 per cent of total costs.

In management accounting terms, the cost of maintaining quality can be broken down into three elements—prevention cost, appraisal cost and failure cost. Traditionally, expenditure on appraisal is the highest figure and prevention the lowest.

The thrust of 3M's Quality Emphasis Programme has been to shift substantial resources into prevention, in order to reduce the amount spent on appraisal, by substantial investment in three directions—on raw material specification and control, on creating the conditions to allow quality control to be placed in the hands of the plant operators and on design experiments to get the process under full control.

When 3M established its "lifetime guarantee" quality standard, it meant a fundamental change in the manufacturing technology. Video cassette manufacture consists essentially of coating a plastic film with magnetic material, slitting it into tape which is then wound into plastic cassettes.

3M's management was confronted with the need to make a decisive move away from "eyeball judgment" of quality, albeit by skilled personnel, to a precise scientific measurement of the materials and processes being used. Only then could specifications be established which raw material suppliers would understand and which they and the plant's operators could employ as parameters guaranteeing the required quality.

Hence, a key ingredient in the quality programme has been substantial investment in the development of instrumentation and analytical equipment to pin down the physical and chemical parameters of the oxides, film, chemicals and solvents being used in the manufacturing process. The dispersion of material on the plastic film is now monitored by specially-designed laser scanners. Special X-ray units have been acquired to measure all the ingredients on the film.

But it has not stopped there. The need for a scientific understanding of what the company is doing has led to the creation of a lavishly equipped Video Technical Service Centre. The Welsh plant is now able to undertake fundamental and applied research into its processes and products (and those of its rivals), and into equipment using videotape to carry out pilot production of potential new products.

The centre has added a whole new dimension to the plant's activities, making PhD graduates the principal recruitment target, triggering active links with University College, Swansea, other academic institutions, and promoting an important dialogue with video-recorder manufacturers.

In the meantime, however, having defined more exactly what it wanted, 3M's management was in a position to establish a vendor management group to work with suppliers on tighter specifications for their materials. Sheehan feels that manufacturing companies often have only themselves to blame for raw material difficulties. Many suppliers are not told precisely how their material is being used.

The pay-off of 3M's new approach has been excellent. One supplier whose deliveries were once 30 per cent defective has maintained zero defect deliveries for six months since working with the vendor management group.

For the shopfloor, the Quality Emphasis Programme began with a plant shutdown and a day out in Swansea to hear a detailed explanation of what was planned. This was followed by a series of two-day "Quality Colleges" for all departments, off-site, designed to hammer home two basic principles. One was that from then on every employee was his own quality inspector. The other was that the customer must be viewed as the next person down the line, not just the final user.

Implementing the new philosophy has meant that employees now spend as much as 30 per cent of their time being trained, routine testing has been transferred from a quality assurance group to the shopfloor, while particular problems, as they have been identified, are now assigned to "corrective action teams."

Every encouragement has also been given to the formation of quality circles, and some 30 per cent of employees have agreed to participate. But Sheehan stresses that they differ in being entirely voluntary and something which employees pursue in their own time.

As such, they are not a substitute for corrective action teams though both have produced a big spin-off in terms of employee involvement and commitment, and better industrial relations.

Experiments

The third main ingredient in the Quality Programme has been to make all proposed changes subject to design experiments, to establish the parameters under which they will work. This practice now applies to everything, even packaging.

The impact of the programme overall is already substantial. A year ago, the percentage of videotape of satisfactory quality coming off the slitter was between 60 per cent and 70 per cent. This proportion has now been pushed up to 95 per cent in a series of steps, during a period, moreover, when the plant's output has increased by 50 per cent.

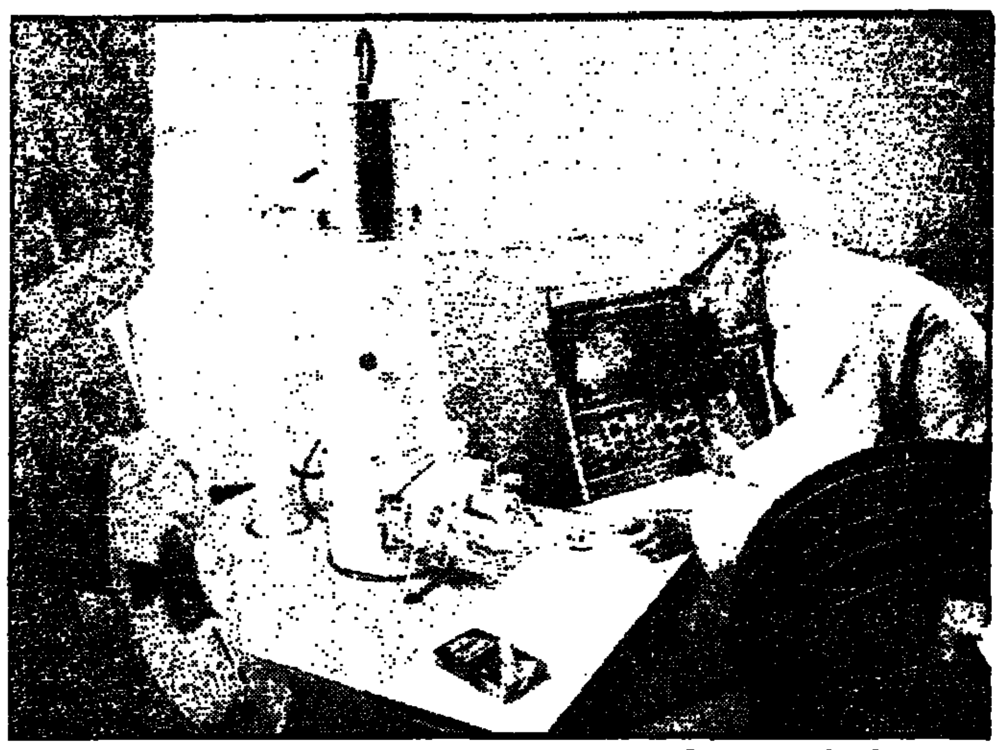
Furthermore, customer dissatisfaction, as reflected in the rate of returns, has fallen from 2-3 per cent to less than a half per cent.

The Welsh plant's achievement has already secured it 3M's Quality Programme Achievement Award 1984, a prize competed for by 3M plants worldwide.

But the drive for "zero defect" operation at Gorseinon is far from over. The Welsh plant recently announced an £18m investment programme to triple videocassette output. Yet of this total, some £9m is to be spent on quality improvement under a new, broader programme dubbed "Parch" — *the Welsh word for respect.*

The particular goal which the plant's management now has in its sights is "stockless production — a reduction in the time through the plant from the present average of three weeks to five days, thereby effecting a substantial saving on the cost of working capital.

"It is only now that we can contemplate such an move, because we have got the process under control. Otherwise it would have been an enormous gamble," Sheehan comments. But he notes that it also requires the marketing department to come up with a sharp improvement in the quality of its sales forecasts. But then, "quality improvement is a way of life. It must go on and on — forever," he adds.



3M's electron microscope magnifies 180,000 times the interaction between video tape and heads

An unnecessarily gloomy picture

Michael Dixon questions an economic indicator

BRITAIN'S economic recovery "is in real danger of fizzling out before it kindles," says Gary Long, deputy chairman of the Hay-MSL management consultancy. He bases his warning on changes in the UK recruitment market for managers and key specialist staff which is often taken to be an indicator of economic trends.

For the past 25 years his consultancy has kept a three-monthly check on advertised demand for executives and other senior people. What worries Long is that, having reached its highest level for 18 years in the first quarter of 1984 from January to March, the demand then fell in the two quarters April to June and July to September.

An independent study of the demand figures, however, suggests that Hay-MSL's deputy chairman is being unnecessarily gloomy.

In 1983, too, a high level in the first quarter gave way to falls both in April-June and in July-September, which were steeper than those that occurred this year. But the market sprang back in October-December and went on to its 18-year high in the first three months of 1984.

Moreover, when the two middle quarters from April to September this year are taken together, demand over that six-month period was at its highest since the market's low point early in 1981. It was at its highest not only in overall terms as shown by the table but in every category of job except general management where the April-September demand fell slightly both this year and last from its recent high in 1982.

EXECUTIVE JOBS ADVERTISED IN UK

1981	Jan-March	4,458
	April-June	4,738
	July-Sept	4,412
	Oct-Dec	4,966
1982	Jan-March	4,417
	April-June	5,570
	July-Sept	4,222
	Oct-Dec	4,468
1983	Jan-March	9,100
	April-June	9,248
	July-Sept	8,084
	Oct-Dec	9,540
1984	Jan-March	10,437
	April-June	10,034
	July-Sept	9,754

Source: Hay-MSL

Business courses

Is lack of leadership a major cause of Britain's industrial decline?, London. November 29-30. Fee: Corporate members £155.25; Individual members and associates £166.75; Non-members £184. Details from Christa Langan, Society for Strategic and Long Range Planning, 15 Belgrave Square, London SW1. Tel: 01-235 0246.

International cash management, London. December 3-6. Fee: Non-members BFr 64,000; Members (AMA/I) BFr 56,000. Details from Management Centre Europe, rue Caroly 15, B-1040 Brussels. Tel: 32/2/516.19.11. Telex: 21.917.

Field service management, London. December 5-6. Fee: £390 (residential). Details from Gaye Gresham, Registrar, Field Service Management, London Business School, Sussex Place, Regent's Park, London NW1 4SA. Tel: 262 5050. Telex: 27461 (ansaback LBSKOX G).

Venture capital financial forum, London. December 3-4. Fee: £373.75. Details from The Financial Times Conference Organisation, VENTURE CAPITAL FINANCIAL FORUM, Minster House, Arthur Street, London EC4R 9AX. Tel: 01-621 1355. Telex: 27347 FTCONF. G.

Franchising, London. December 4-5. Fee: £391. Details from J K Van Wycks, Seminar Division, Crown Eagle Communications Ltd, Vernon House, Sicilian Avenue, London WC1A 2QT. Tel: 01-404 4756. Telex: 896827 TACS G/Ref 1202.

Zero-base budgeting, London. December 5-7. Fee: BFr 53,000; Members (AMA/I) BFr 48,000. Details from Management Centre Europe, rue Caroly 15, B-1040, Brussels. Tel: 32/2/516.19.11. Telex: 21.917.

What is organisation development, London. December 3-4. Fee: £240. Details from The Secretary, Management Programme, Brunel University, Uxbridge, Middlesex UB8 3PH. Tel: 0895 56461. Ext 215.

Directors' marketing workshop 1984, Berkshire. December 13-14. Fee: Institute members £360 + VAT. Non-members £400 + VAT. Details from Harold Shilling, The College of Marketing Ltd, Moor Hall, Cookham, Maidenhead, Berkshire SL6 9QH. Tel: 062 85-24922 Ext 29.

TECHNOLOGY

EDITED BY ALAN CANE

PLANS FOR A NOVEL RESTAURANT CHAIN USING INTERACTIVE VIDEO DISCS

Video answer to the dumb waiter

BY TONY GLOVER

IF RESTAURANT staff behave as though you were the invisible man and wine waiters sneer as you order half a bottle of house white, the latest in convenience eating from the U.S. may be just the thing for you.

The New England Technology Group, a Massachusetts computer company, hopes to develop a restaurant chain where the customer places his or her order through a touch-sensitive screen at the table and does not see a living soul until the staff actually bring on the food.

The American company hope customers will be tempted into taking part in this bizarre ritual because the computer at the table operates an interactive video disc system. This allows the computer to communicate with the customer presenting and describing different dishes, plus perhaps a film tour around the kitchen, according to the information relayed to it from a touch-sensitive sheet of mylar on the screen.

New England Technology has started to develop the idea as a result of the unexpected popularity of a demonstration touch-sensitive interactive video system using a jokey video based around a fictitious diner. The establishment in the video appears to be run by a generously proportioned and loud-mouthed waitress who yells at "customers" who pause too long before touching the screen "Come on will ya? I gotta million customers waiting." The waitress reappears to describe the dishes selected through touching pictures of them on the screen, still making the occasional wise-crack.

The demonstration model using this video was so popular that its maker was astonished to see people queueing to have a go on it at exhibitions. Being Americans they have decided that anything new which makes people want to stand in line is worth doing in a big way and undertook market research.

This came up with the answer *that a restaurant chain using* the idea, albeit in a slightly more upmarket fashion, could be a winner. Worried that others might use their idea first company president Steven K. Gregory, believes the best way of protecting their idea is "to open such a restaurant on every street corner."

Although the system was first *developed with educational* and training uses in mind, and is still marketed in this way, it is estimated that it could be used in a chain of novelty restaurants at a cost of $3,000 to $4,000 per table. New England Technology Group wants to run the scheme in conjunction "with partners who know the other end of the business." Steven K. Gregory said his *company is* currently having talks with companies in Japan but did not rule out starting a chain in the UK if the right partner could be found.

REPORT WARNS OF POSSIBLE GENERATION GAP IN APPLICATION

Computer aids to decision making

IF YOU USE acomputer to help in making a business decision, inevitably you will be using a "decision support system (DSS)," a buzz-word which covers a multitude of different kinds of techniques.

W. A. Freyenfeld, in a new study from the National Computing Centre*, has distinguished six distinct types of DSS.

They are: chief executive information systems, commercial operational analysis and planning systems, industrial operational analysis and planning systems, preference determination systems, cognitive mapping systems and expert advisory systems.

The study warns there could be a serious generation gap in British industry starting perhaps in 10 years' time if new recruits who have a working knowledge of computer-based techniques through their use at home, at school and at university are not afforded the facilities to use them to the fullest possible extent at work and as an aid to decision making.

* *Decision Support Systems, NCC Publications.*

ALAN CANE

SMALL MACHINES GROW IN POPULARITY FOR CAD SYSTEMS

Personal computers reduce cost of automated design

BY GEOFFREY CHARLISH

COMPUTER AIDED design, engineering and manufacturing (CAD/CAE/CAM) is moving down market, with at least 20 companies in the U.S. offering systems based on the personal computer (PC).

CAD, which allows engineers to design their products with a screen and keyboard instead of pencil and paper, has previously needed larger processors. But the latest personal computers have sufficient power and memory to allow sophisticated CAD to be carried out.

Revenues of this fast-growing segment of the industry are projected by the Cambridge, Massachusetts market research company Daratech to reach $40m during 1984. The seg*ment cover PC-based systems* for mechanical and architectural draughting, solids modelling and electronic circuit analysis/layout.

Autodesk Incorporated, the Californian company that developed Autocad, the fastest-selling PC-based CAD software package for mechanical and architectural draughting, is selling software licences at the rate of 1,500 a month. The company has already installed 10,000 systems, so Autocad may soon outstrip IBM's CADAM as the world's most widely used CAD software.

According to Daratech, Autodesk should capture 25 per cent of the PC-based CAD market in 1984 with revenues of about $10m. The research company thinks that once major vendors *like Computervision and IBM* enter this market segment and establish effective low cost distribution channels, PC-based systems should boost industry growth and put CAD/CAM/CAE tools within reach of all engineers and architects.

The main reason for the trend is the increasing power and decreasing cost of small computers. Progressively, CAD has shifted down the computing scale from mainframe through mini computers and now to microcomputers, some of which have powers commensurate with the minis of the mid-1970s.

Even without any general PC-based surge, the industry is set for another bumper year. Daratech, in a report dealing with U.S.-based companies and outlets only, puts total revenues for 1984 at $2.8bn — a growth over 1983 of 52 per cent. The growth figure in 1983 was 40 per cent, and for 1982 it was 28 per cent. One segment — electronic printed board and semiconductor design — will nearly triple its turnover in 1984.

A great fillip to sales was the general introduction of 32 bit computers into new systems that became faster and more cost effective.

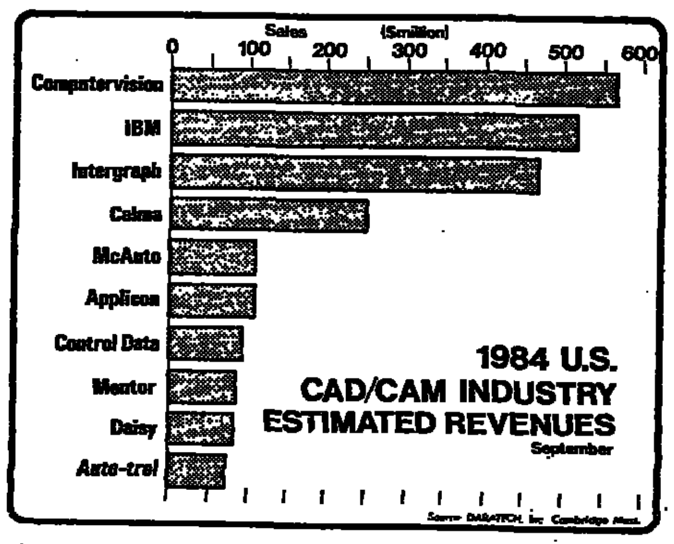
In terms of market leadership, the Daratech survey differs from another published in July by Frost and Sullivan in which it was predicted that Computervision would "have difficulty in keeping up with IBM and U.S. General Electric (Calma)." At the time, CV directors in Bedford Massachusetts denied their company was being overtaken by IBM and the figures from Daratetch seem to bear this out.

According to the research company, CV increased its revenues by 55.8 per cent in the first six months of 1984 compared with the same period last year, "beating back a strong challenge by IBM for industry leadership." Daratech says that CV revenues should reach $556m in 1984, giving the company an overall 20 per cent market share — "two points ahead of IBM."

CV's growth revived following the release of the 32-bit CDS product just over a year ago. Since then the company has made a number of moves. In June it founded Metheus-CV with Metheus Corporation of Oregon, to develop workstation products for electronic circuit design applications. In September it released an IBM PC-based CAD system on a limited trial basis, provisionally called Personal Designer. It already has agreements with Sun Microsystems of California for low-end workstations.

But IBM has hardly been idle, with *estimated sales* growth of 55 per cent in 1984. Its high performance CADAM draughting systems and CATIA solids modelling continue to gain acceptance.

The Daratech report reviews several other companies in the field. Intergraph, which it puts at number three in the sales league table, will have a 17 per cent share in 1984. It has a new $20,000 engineering workstation based on the 32-bit National Semiconductor microprocessor, the 32032. The speed is 1m operations per second, and the machine can run on Unix or MS-DOS operating systems as a general purpose computer, as well as acting as a workstation on existing Intergraph CAD systems.



Measurement

Testing heat by laser

DEVELOPMENTS in applying lasers for measurement industry at Harwell Research Laboratory has resulted in a new company to exploit the laboratory's techniques.

Epsilon Research wil market *Harwell's CARS system* for measuring temperatures, pressures and gas concentrations inside operating engines, furnaces and chemical reactors. The company sees the main users of CARS in the electronics and nuclear industries, developers of engines, high energy physics and aerospace laboratories and industrial chemical research organisations.

CARS is already used by motor vehicle engine manufacturers in the research to produce engines with etter fuel economy.

Safety

Detecting toxic gases

GAS monitoring in hazardous conditions can be achieved by equipment on offer from Centrel Telecom at St Leonards on Sea, East Sussex.

The company has launched a solid state sensor which can detect combustible and many toxic gases. Totally automatic in operation, Centrel Telecom says that the *RDA 111* is applicable in manholes, underground services, water treatment plants, chemical and petrochemical factories and general industry.

Standard calibration of the RDA 111 is 2 per cent methane/air concentrations but other calibrations are possible. The sensor will react to methane, benzene, carbon monoxide, propane, ammonia, industrial solvents and thinners, for example.

The system has both visual and audio alarms. If the connecting cable between the instruments remote and master units is severed, the alarm will again be triggered. More details from the company on 0424 52777.

THE ARTS

Arts Week

F	S	Su	M	Tu	W	Th
9	10	11	12	13	14	15

Exhibitions

WEST GERMANY

Hanover, Forum des Landesmuseums, 8 Am Markte: A big retrospective, comprising 185 paintings, watercolours and drawings, highlights the oeuvre of Ludwig Richter (1803 to 1884), the German landscape and genre painter. Ends Nov 24.

Goslar, Mönchehaus, Mönchehausstrasse: Bronze sculptures by Willem de Koonig, the abstract expressionist U.S. artist, who won this year's Goslar cultural prize. Ends Dec 6

Hanover, Kestner Gesellschaft, 18 Warmbüchenstrasse: 80 coloured drawings from between 1880 and 1917 by Gustav Klimt, the main representative of the Viennese "Jugendstil" style. Ends Nov 25

Düsseldorf, Städtische Kunsthalle, 4 Grabbeplatz: 160 paintings, sculptures and drawings illustrate the cultural scene in the 1960s in Berlin, Düsseldorf and Munich. Ends Nov 25

LONDON

The Royal Academy: The Age of Vermeer & de Hooch – the final showing of the splendid exhibition already seen in Philadelphia and Berlin of Dutch genre painting of the 17th century. The major figures, Vermeer, de Hooch and ter Borch, with Steen, Dou and Metsu not far behind, naturally dominate the show. The final room, given over largely to the big three, is worth a visit in itself. The show is full of surprises and unlooked-for treats from the lesser figures, and demonstrates too that "genre" is no narrow and exact category, but one that embraces as much variety of interest and technique as does the everyday which it so affectingly describes. (Ends Nov 18).

National Gallery: The Golden Age of Danish Painting – A small and thoroughly delightful exhibition which brings to London effectively for the first time the work of the Danish School of the early 19th century. The works are portraits – somewhat neo-classical in manner, but in manner only – and charmingly personal and domestic. There is also landscape and topographical observation of an almost photographic immediacy and clarity Kobke and Eckersberg are the major artists. (Ends Nov 20).

PARIS

Le Douanier Rousseau: Extraordinary tropical vegetation with exotic flowers, gently poetic images of Paris and its surroundings, dignified portraits of himself and his friends fill Douanier Rousseau's canvases. Self-taught, appreciated by Apollinaire yet cruelly mocked by others, he found an escape from the daily humdrum existence in the dream world of his paintings. Grand Palais, 10am-8pm, Wed till 10pm, closed Tue. Ends Jan 7. (260.39.26).

NEW YORK

Metropolitan Museum of Art: Te Maori begins its U.S. tour showing the native treasures of New Zealand, with a rich Polynesian heritage of stone and ivory ornaments, bone and stone weapons and wood carving. Ends Jan 6.

Museum of Modern Art: Primitivism in 20th Century Art has much good modern work by Picasso, Max Ernst, Brancusi among many others as well as striking tribal objects from Asia, Africa and North America, but the theme itself seems meant to fill space more than provide a better understanding of the primitives or the moderns. Ends Jan 15

WASHINGTON

National Gallery: Old Master Drawing from the Albertina, celebrating two centuries of Austro-American relations, includes Dürer's Praying Hands among the 75 works by Fragonard, Rembrandt, Pieter Bruegel the Elder, Lucas Cranach the Younger, and others. Ends Jan 13.

Hirshhorn: The entire third floor of the gallery will be filled with 157 works of painting, sculpture, constructions and installations done in the past decade by 147 artists in celebration of the museum's 10th anniversary. Ends Jan 6.

ITALY

Venice: *Palazzo Ducale*: The Treasures of the Pharaohs – a rich and fascinating exhibition of more than 80 works (lent by the Cairo Museum) – covering over 3000 years, and containing an enormous variety of objects from mundane things such as combs and cooking pots to the contents of Tutankhamun's tomb. Until End of December.

TOKYO

Pharaoh Exhibition of Egypt: In their second major Egyptian theme this year, the Seibu Art Museum offers another superbly aesthetic exhibit. Seibu Art Museum (Seibu Ikebukuro Department Store). Ends Dec 18.

Ukiyo-e Prints and Paintings of the Floating World: (revolving round the Kabuki theatre and Yoshiwara pleasure quarters). In one of the largest exhibitions ever mounted of this genre, 500 items depict a hedonistic 17th-19th century Tokyo. Tokyo National Museum. Ends Nov 25.

NETHERLANDS

Amsterdam, Allard Pierson Museum: Similar But Different, an exhibition marking the archaeological museum's 50th anniversary, is devoted to daily life in Egypt, from 3500 BC to 600 AD. Not grandeur, then, but domesticity, as the visitor is led through a series of small rooms (one a re-creation of an Egyptian interior) displaying everyday objects, delicate faience work, jewellery and religious artefacts. Richly illustrated catalogue. Ends Jan 1985. Concurrently, on the top floor, a remarkable display of the earliest photographs (1839-1880) of the monuments lining the Nile.

Amsterdam Historical Museum. Dutch sculptors at work in their studios sensitively photographed by Louise van der Veen. Ends Dec 2.

VIENNA

Medieval Art from Serbian Monasteries: This exhibition from Yugoslavia of religious art from Serbian Medieval Monasteries covers the period from the 10th to 17th centuries and includes some intricately worked silver book covers, chalices and incense burners. Gilded icons are also of interest, showing a surprisingly modern angular technique in depicting garments. Other exhibits include illuminated manuscripts and copies of frescoes, and all show a fascinating intermingling of eastern and western artistic influences. Museum of Mankind. Ends Jan 20.

Opera and Ballet

WASHINGTON

Washington Opera (Opera House): The season continues with Gian Carlo Menotti's 1982 production of La Boheme conducted by John Mauceri with Sheri Greenawald as Mimi and Jerry Hadley as Rodolfo along with a new production of The Merry Widow with Mary Jane Johnson in the title role and the D'Oyly Carte's Donald Adams as Baron Zeta, conducted by Carl Stewart Kellogg. Kennedy Center (254 3770).

PARIS

Der Rosenkavalier conducted by Adam Fischer in Ezio Frigerio's decor. Elisabeth Soderstrom, Gunter Missenhardt/Helmut Berger-Tuna, Trudeliese Schmidt. Eva Saurova/Marie Christine Porta. Palais Garnier (742.57.50).

NEW YORK

Metropolitan Opera (Opera House): The week includes Il Barbiere di Siviglia conducted by Silvio Varviso with mezzo Julia Hamari and baritone Leo Nucci, Manon Lescaut conducted by Nello Santi, La Boheme in the local conducting premiere of Placido Domingo, as well as Jean-Pierre Ponnelle's new production of La Clemenza di Tito conducted by James Levine. Lincoln Center (362 6000).

LONDON

Royal Opera House, Covent Garden: Andrey Tarkovsky's imaginative, irritating production of Boris Godunov returns with a new conductor (James Lockhart) and a new title-role bass (Nicolai Ghiuselev), but otherwise a cast much as before. Last performance of the current Carmen, with Teresa Berganza, Jose Carreras, and Valerie Masterson the much-admired principals. (240 1066).

English National Opera, Coliseum: Dvořák's Rusalka, a David Pountney production first shown last season, is one of ENO's biggest successes of recent seasons, a wilful, beautiful, disturbing digging-out of the Freudian subtext from the woodland fantasy. Further performances of Patience, the ENO's finest Gilbert and Sullivan, of Arabella, with Josephine Barstow, and of the new, harshly revealing Madam Butterfly. (836 3161).

CHICAGO

Lyric Opera (Civic Opera): Luciano Pavarotti sings the title role in Ernani, with Grace Brumbry as Elvira, and Carmen stars Alicia Nafe in the title role and Maurizio Frusoni as Don Jose. (332 2244).

VIENNA

Staatsoper: The Marriage of Figaro conducted by Leopold Hager with Janowitz, Popp; Rigoletto conducted by Bareza; The Woman Without Shadow conducted by Leinsdorf with Rysanek-Gausmann, Jones (53 24/26 55).

NETHERLANDS

Amsterdam, Stadsschouwburg. The National Ballet with Slow, Heavy and Blue choreographed by Carolyn Carlson, Gesang der Jünglinge by Rudi van Dantzig (music: Stockhausen and Chopin). (242 311).

Amsterdam, Carre Theatre: The Opera Italiana di Milano presents Rigoletto, with soloists Bruno Dalmonte, Roberto Argazzi, Miriam Gauci and Giacomo Bertasi, and the Budapest Symphony Orchestra and Musica choir conducted by Lajos Vasady-Balogh (548 000).

Scheveningen, Circus Theatre. The Netherlands Opera production of Don Giovanni, with John Broecheler in the title role and Roberta Alexander and Ashley Putnam in other leading parts, the Netherlands Chamber Orchestra and the Opera Choir under Edo de Waart and Ed Spanjaard (55 88 00). Repeated Thur in Amsterdam, Stadsschouwburg (24 23 11).

TOKYO

Takarazuka All-Girl Revue (Takarazuka Theatre). An original operetta: My Love For Beyond the Mountains. This troupe, a speciality of Japan, is the counterpart of Kabuki where the girls play the men's roles. Spectacular and technically good, simple plots, good English synopsis in programme. The theatre is near the Imperial and Palace hotels. (591 1711).

Music

PARIS

Orchestre Colonne conducted by Dennis Russell Davies, with Montserrat Caballe (Mon). Salle Pleyel (561.06.30).

Edda Moser soprano, with the Ensemble Orchestral de Paris conducted by Jean-Pierre Wallez: Mozart (Mon). TMP-Chatelet (233.44.44).

Jessye Norman Recital (Mon). Théâtre de l'Athénée (742.67.27): Arthur Grumiaux, violin, Paul Crossley, piano. Lekeu, Mozart, Faure (Mon). Radio France. Grand Auditorium (524.15.16).

Orchestre National de France conducted by Vaclav Neumann, Hervé Derrien, cello: Dvořák, Mahler (Tue). Théâtre des Champs-Élysées (723.47.77).

Ensemble Intercontemporain conducted by Peter Eotvos, Signe Vonosten, soprano, Christian Petrescu, piano: Charles Ives, André Boucourechliev, Helmut Lachenmann, Leos Janacek (Mon). Théâtre du Rond-Point (261.56.75).

ITALY

Rome: Teatro Olimpico: Aquilani soloists with the organist Giorgio Carnini and the violinist Giuseppe Prencipe. Mozart, Bach and Handel (Wed). (39 33 04).

Rome: Auditorio de via della Conciliazione: Giuseppe Sinopoli conducting Six Lieder for Voices and Orchestra by Mahler (with the baritone Thomas Allen), Bruckner and Schubert (Mon 9pm). (65 41 044).

Rome: Oratorio del Gonfalone, vicolo della Scimia 1/b (via Giulia). Violinist Fulvio Leofreddi and pianist Marcella Crudeli playing Beethoven and César Franck. (655 952).

NEW YORK

New York Philharmonic (Avery Fisher): Andrew Davis conducting, John Browing, piano, Nexus percussion ensemble. Mozart, Saint-Saens, John Wyre (Tue); Andrew Davis conducting and organist, Alicia de Larrocha, piano. Ravel, Franck, Falla, Saint-Saens (Thur). Lincoln Center (799 9595).

Carnegie Hall: Alexis Weissenberg piano recital. Scarlatti, Schumann, Rachmaninov (Wed); Gewandhaus Orchestra of Leipzig. Kurt Mazur conducting. All-Beethoven programme (Thur). (247 7459).

WASHINGTON

National Symphony (Concert Hall): Charles Dutoit conducting, Daniel Barenboim, piano. Beethoven, Prokofiev (Tue); Gunther Herbig conducting, Daniel Barenboim, piano. Brahms, Schubert (Thur). Kennedy Center (254 3776).

The King's Singers (Concert Hall): Madrigals and Edwardian and

LONDON

London Choral Society and English Chamber Orchestra conducted by Jane Glover with Felicity Lott, soprano, Carolyn Watkinson, contralto, Anthony Rolfe Johnson, tenor, and Willard White, bass. Bach B Minor Mass. Royal Festival Hall (Mon). (928 3191).

Philip Jones Brass Ensemble: Handel, Arnold, Saint-Saens. Barbican Hall (Tue). (638 8891).

Philharmonia Orchestra conducted by Michael Tilson Thomas with Yefim Bronfman, piano. Stravinsky and Rachmaninov. Royal Festival Hall (Tue).

Royal Philharmonic Orchestra conducted by Paavo Berglund with Yehudi Menuhin, violin, and Paul Tortelier, cello. Holst, Brahms and Elgar. Royal Festival Hall (Wed).

Walter Klein piano recital (Concert Hall): All-Mozart programme (Thur). Kennedy Center (254 3776).

CHICAGO

Chicago Symphony (Orchestra Hall): Leonard Slatkin conducting, Mark Peskanov, violin. Beethoven, Hindemith, Prokofiev (Thur). (435 8122).

VIENNA

Michael Schnitzler, violin, Hans Petermandl, piano. Schumann, Brahms. Konzerthaus (Mon). (72 12 11).

Konrad Ragossnig, guitar, Werner Tripp, flute, Edward Melkus, violin. Beethoven, Schubert, Diabelli and Reger. Albertina, Augustinastrasse. (Wed).

Markus Prause, piano. Bach. Bosendorfer Saal (Thur). (65 66 51).

NETHERLANDS

Amsterdam, Concertgebouw. Theo Bruins, piano. Beethoven, Stravinsky and Debussy (Mon); Cherubini's Requiem and Beethoven's Mass in C by the Stem des Volks Choir, with the North Holland Chamber Orchestra under Wouter Schmidt (Tue); In the recital hall (Tue) the Alban Berg Quartet. Berg, Ravel, Mozart; The Beaux Arts Trio. Beethoven, Saint-Saens and Schubert, recital hall (Wed); Gerard Souzay, baritone, and David Abramovitz, piano. Faure, Brahms, Poulenc and Schumann (Dichterliebe). (Thur). (71 83 45).

Rotterdam, De Doelen. L'Ensemble of Vienna. Richard Strauss, Schoenberg and Brahms (Mon); Mitsuko Uchida performs Mozart piano sonatas in the recital hall (Tue); Radio Philharmonic Orchestra conducted by Edo de Waart, with Ronald Brautigam, piano, and Thijs Kramer, organ. Voormolen, Beethoven, Reger (Thur). (14 29 11).

ZURICH

Tonhalle: Concentus Musicus conducted by Harnoncourt. Bach (Mon); Tonhalle Orchestra. Takemitsu, Prokofiev and Saint-Saens (Tue to Fri).

TOKYO

Jean Philippe Collard, piano: Fauré, Ravel, Schubert. Showa Women's College, Hitomi Memorial Hall (Mon). (571 1689, 237 9990).

Josef Hara (piano) **Shizuka Ishikawa** (violin): Mozart, Schubert, Dvořák, Paganini, Debussy. Shinjuku Bunka Centre (Mon). (235 1661).

Zuzana Ruzickova, harpsicord: Couperin, Rameau, Scarlatti, Bach. Ishibashi Memorial Hall. (Tue). (235 1661).

NHK Symphony Orchestra, conductor Ali Rahbari, Annerose Schmidt, piano. Schoenberg, Brahms. NHK Hall (Wed, Thur). (465 1780).

Theatre

NEW YORK

Sunday in the Park with George (Booth): Not your conventional musical. Stephen Sondheim's latest is an inspired pairing with director and playwright James Lapine to bring Georges Seurat's painting to life, with Mandy Patinkin as the painter and Bernadette Peters as his imagined girlfriend, Dot. (239 6262).

Cats (Winter Garden): Still a sellout, Trevor Nunn's production of T. S. Eliot's children's poetry set to trendy music is visually startling and choreographically feline, but classic only in the sense of a rather staid and overblown idea of theatricality. (239 6262).

42nd Street (Majestic): An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. (977 9020).

Torch Song Trilogy (Helen Hayes): Harvey Fierstein's ebullient and touching story of a drag queen from backstage to loneliness incorporates all the wild histrionics in between, down to the confrontation with his doting Jewish mother. (944 9450).

Dreamgirls (Imperial): Michael Bennett's latest musical has now become a stalwart Broadway presence despite the forced effort to recreate the career of a 1960s female pop group, a la Supremes, without the quality of their music. (239 6200).

On Your Toes (Virginia): Galina Panova with presumably a genuine Russian accent leads an exuberant cast in the remake of Rodgers and Hart's 1936 sendup of Russian ballet tours, complete with Slaughter on Tenth Avenue choreographed by George Balanchine and directed, like the original, by George Abbott. (977 9370).

Brighton Beach Memoirs (Neil Simon): If he wasn't sure before, playwright Neil Simon can expect a long run of his funny as well as touching childhood reminiscences now that the Nederlander organisation has generously decided to name the theatre after the generation's outstanding box office draw. (757 8646).

A Chorus Line (Shubert): The longest-running musical ever in America has not only supported Joseph Papp's Public Theater for eight years but also updated the musical genre with its backstage story in which the songs are used as auditions rather than emotions. (239 6200).

Noises Off (Brooks Atkinson): Dorothy Loudon brings Michael Frayn's backstage slapstick farce to Broadway in Michael Blakemore's production that includes Brian Murray, Paxton Whitehead and Victor Garber as her backstage conspirators. (245 3430).

The Real Thing (Plymouth): After 14 months in London, Tom Stoppard's latest giggle at the English intelligentsia, with a new-found attention to the heart that beats beneath the veneer, directed at a fast clip by Mike Nichols. (239 6200).

LONDON

Little Shop of Horrors (Comedy): Campy off-Broadway import which is less good than The Rocky Horror Picture Show but which has a curious charm and an exotically expanding man-eating prickly plant. (930 2578).

The Real Thing (Strand): Jenny Quayle and Paul Shelley now take the leads in Tom Stoppard's fascinating, complex, slightly flawed new play. Peter Wood's production strikes a happy note of serious levity. (836 2660/4143).

Daisy Pulls It Off (Globe): Enjoyable romp derived from the world of Angela Brazil novels: gym slips, hockey sticks, a cliff-top rescue, stout moral conclusion and a rousing school hymn. Spiffing if you're in that sort of mood. (437 1592).

Noises Off (Savoy): The funniest play for years in London, now with an improved third act. Michael Blakemore's brilliant direction of backstage shenanigans on tour with a third-rate farce is a key factor. (836 8888).

Starlight Express (Apollo Victoria): Andrew Lloyd Webber's rollerskating folly has 10 minutes of Spielberg movie magic, an exciting first half and a dwindling reliance on indiscriminate rustling around. Disneyland, Star Wars and Cats are all influences. Pastiche score nods towards rock, country and hot gospel. No child is known to have asked for his money back. (834 6184).

West Side Story (Her Majesty's): Classic musical returns to its original London home with a fresh young cast of good singers and dancers. The thrills and spills of Bernstein's score and the Robbins choreography remain breathtakingly intact. (930 6606).

On Your Toes (Palace): Rodgers and Hart's 1936 musical is a genuine tonic. American jazz dance collides with the Ballets Russes. Gems include There's a Small Hotel, Glad to be Unhappy and the Balanchine ballet for Slaughter on Tenth Avenue. (437 6834).

Aren't We All? (Haymarket): Rex Harrison and Claudette Colbert in a meagre rarity by Frederick Lonsdale. Miss Colbert defies the march of time and still wears her hair the same way, with bangs. (930 9832).

42nd Street (Drury Lane): No British equivalent has been found for New York's Jerry Orbach, but David Merrick's tap-dancing extravaganza has been rapturously received. American Clare Leach is a real find as Peggy Sawyer, and Margaret Courtenay has a field day (836 8108).

WASHINGTON

Nest of the Wood Grouse (Eisenhower): Victor Rozov's Soviet comedy puts a human face on the local nemesis in the form of Eli Wallach and Anne Jackson as a Russian diplomat and his unpredictable family. Ends Dec 1. Kennedy Center (254 3670).

TOKYO

Kuro Tokage. Yukio Mishima's play Black Lizard, a suspense drama starring Kinya Kitaoji and Kabuki actor renowned for female roles, Tammasaburo Bando. Shimbashi Embujo in an atmospheric area where the geisha girls can still be seen in rickshaws en route to the few remaining geisha houses. (541 2211).

Kabuki (Kabukiza) Chocho Kuruwa Nikki (The Two Butterflies), first staged as a puppet play in 1749, and others (matinee). The evening programme includes a very popular play, Tsuchigumo (The Ground Spider). Innovative Ennosuke appears in three roles. Excellent earphone commentary and programme notes. (541 3131).

ITALY

Rome. Teatro Ghione: Beckett directing Beckett. The San Quentin Drama Workshop in Beckett's End Game and Krapp's Last Tape, directed by the author. (637 2294).

The invaders in "Red Dawn"

Cinema/Nigel Andrews

The Russians are coming again

Red Dawn: directed by John Milus
Full Moon in Paris: directed by Eric Rohmer
London Film Festival: Festival director Derek Malcolm

John Milius's *Red Dawn* is a slice of gung-ho anti-Communism cut fresh and quivering from the American body paranoiac. Milius has long been Hollywood's *miles gloriosus*. Give him a frontier of freedom and he'll defend it. Give him a bone of East-West or Left-Right contention and he'll chew it with you to the marrow. Milius wrote the original script for *Apocalypse Now* (before Coppola came in and lent it a leftward liberalism) and he wrote and directed *The Wind and the Lion*, *Big Wednesday* and *Conan The Barbarian*, all sky-writing notions of bigger-than-life heroism and machismo together with a mythic line in human emotion.

In *Red Dawn* the ultimate Milius challenge to U.S. manhood takes place. The Communists—shock horror—invade America. Tanks roll into the Colorado small town where our story unfolds, planes buzz overhead and paratroopers flutter down from the clear blue sky. (The history teacher, in the middle of a lesson on Genghis Khan, gazes shocked out of the window). In no time the mixed Russian, Cuban and Nicaraguan forces have turned Calumet, Col. into a chip off the Soviet Bloc, where *Alexander Nevsky* plays at the local cinema, dissident townsfolk are rounded up and shot, and all contact with the F.A. zone (Free America, further north, reduced to lobbing coded messages across the airwaves to their occupied friends) is strictly forbidden.

It would all be game, set and match but for the brave youngsters — Patrick Swayze, C. Thomas Howell, Charlie Sheen and others — who grab a truckful of arms, ammunition and food early on and charge off into the mountains, whence they commence a guerrilla resistance campaign whose fortunes comprise the rest of the movie.

Red Dawn is not so much Vietnam redivivus as Afghanistan transplanted. The craggy terrain, the youthful fighters scooped up from the local populace, the oddly mid-Eastern wardrobe (flowing white combat tunics, Arab headcloths) point to the film siding with the surer verities of an invaded country's fight against Russian imperialism than the dodgier do's and don'ts of remote police actions in South-East Asia. raise its head in the movie — "What's the difference between them and us?" queries one young guerrilla in a moment of discord — Milius clobbers it with the certainties of home, heart and patriotism.

Scripted with brusque vitality by Milius and Kevin Reynolds and shot in a no-fuss purr of action like a living newsreel, the film is far better than its critical and commercial battering in the States suggest. Perhaps its unpopularity lay in its letting fear, grief and hatred fly in full view among the wartime flags of youthful feelings. The teenage warriors burst into tears with unabashed frequency early on, and they aren't even allowed a comfortable passage through to the "manly" sublimation of feeling into military aggro. "All that hate will burn you up," growls Powers Boothe as a shot-down U.S. pilot who's rescued and briefly adopted by the group. "It keeps me warm," replies the boy addressed, and they hug their feelings like a badge of humanity right into the thick of battle.

For all its moments of Boy's Own barnstorming and "War is Hell" sententiousness, *Red Dawn* takes a "preposterous" premise and develops it with skill, vigour and impeccable logic. Like all the best naive art, it seems at first too simple to be true, until you look twice and realise it's also too true to be altogether simple.

*

Eric Rohmer's *Full Moon in Paris* is the French director's umpteenth comedy of youthful manners and as brittle and brilliant as the best. Here he loops the louche in *Paris et environs* with a set of characters who keep the comedy bubbling merrily for 102 minutes. There are the flitty distrait heroine (Pascale Ogier who tragically died, recently), the suburban lover she cold-shoulders by getting a Paris pied-à-terre, the Platonic boyfriend of manic chatter and pin-bright IQ, and the handsome hippy she beds for one swift-regretted night (played by Christian Vadim, son of Roger).

The people in Rohmer's 1980s films are chatterbox soul-searchers who might have been plucked out of a Beaumarchais play and dropped down in post-60s France. Distant children of *les evènements*, they wear long coats, long scarves and long but funny faces; and they try desperately to make the conscientious liberalism of the 60s chime with the Me Decade hedonism of the 70s while living in the cheerful, compassless confusion of the 80s.

*

The London Film Festival rides into town again next week, six-guns blazing, to clean up the cinema's silly season. 2½ weeks of high-profile and rapid-fire international movie projection unfold at the National Film Theatre and ancillary venues. Film critic Derek Malcolm is the one-year appointee as festival director, succeeding Ken Wlaschin, and if we all deem this festival worth applauding he may have his contract extended. Like Wlaschin he has followed the policy of safety—or richness—in numbers, and this year's LFF bursts at the seams with a frightening 100-plus movies from every known corner of the world, and some scarcely known at all. (When did you last see a film from Burkina Faso? This year we have Christian Richard's hotly tipped *Le Courage Des Autres*).

The British section alone boasts 20-odd films, with new work from Mike Leigh, James Scott, Ken McMullen and Skolimowski in prospect, plus a pair of gamey-sounding Welsh eccentricities (Stephen Bayly's ...*And Pigs Might Fly* and Karl Francis's *The Happy Alcoholic*).

Elsewhere the selection is so vast that I won't browbeat your brain-cells by attempting to summarise the whole programme. Suffice it to say that no filmgoer will feel complete without seeing all or several of the following: Tony Gatlif's *The Princes*, a crackling and prizewinning French comedy-melodrama about gypsies: Sean O Mordha's Samuel Beckett *Silence to Silence*, a documentary portrait as rich and runic as Sam's own work; Joel Coen's *Blood Simple* from America — murder and ingenious mayhem amid a Mardi Gras of shadows; Giorgio Moroder's rock-scored and colour-tinted version of Fritz Lang's *Metropolis* (vandalised or revivified, according to taste); Bertrand Tavernier and Robert Parrish's fascinating *Mississippi Blues*, pursuing the music of the soul through the Deep South; Allen Fong's *Ah Ying*, a tangy and tender Hong Kong human comedy; Otar Ioseliani's exhilarating *Favourites of the Moon*, a paper-chase farce of love and crime in Paris; Raul Ruiz's *La Ville Des Pirates*, which is like *Treasure Island* re-dreamed and re-designed by Jean Cocteau; and Lars Von Trier's *The Element of Crime*, a Danish-directed murder thriller of darkly delirious visuals and ingenious, tail-chasing plot. For more information on any or all of these films, go and see them.

Tcheky Karyo and Pascale Ogier in Rohmer's "Full Moon in Paris"

Mother Courage/Barbican

Michael Coveney

It is 20 years since Madge Ryan pushed Mother Courage's cart round the Old Vic stage and while there have been reports of brave efforts in the regions by Peggy Mount and Miriam Karlin, Judi Dench at the centre of this magnificent revival directed for the Royal Shakespeare Company by Howard Davies is likely to prove not only a definitive reading but also, for many, their introduction to a great play.

Like Beckett's Winnie up to her neck in sand, or Osborne's Archie Rice on an abandoned music hall stage, Brecht's Mother Courage is a role of significant reverberation in the latter half of this century, even if the action is purportedly set in the first half of the 17th during the Thirty Years War.

Courage is a small time profiteer of war, a scavenging symptom of the larger atrocity. She switches sides, from Lutheran to Catholic and back again, as she trundles around Europe from Sweden to Poland, through Bohemia and Austria. She runs a travelling canteen and has three children all by different men—"I've done the world with my cart" exclaims Judi Dench wearily, without rejecting our laughter.

Between its Swiss premiere in 1941 (like *Puntila* and *Arturo Ui*, this major work was fuelled by Brecht's own fugitive status) and the Berlin milestone with Weigel in 1949, Brecht was always tampering to stress Courage's sacrifice of maternal instincts to commercial ones. All that happened was that she emerged richer and more engaging as a character. Brecht wanted us to observe detachedly, not become involved. Fat chance of that with any good actress, let alone Miss Dench, an indisputably great one.

Courage first loses her too honest Swiss Cheese (beautiful performance by Bruce Alexander). "I think I haggled for too long" is his dry epitaph as Dench fixes the house with an extended, dejected still and silent wail. When the body is brought in she slumps to inspect it, but preserves her livelihood by refusing to identify it. The colouration of this kind of emotional limbo is a forte of the actress, and time and again she breaks through the Brechtian carapace to score a direct hit.

It begins on a swaggering, gum-chewing Little Titch level, this performance. In a startled red wig and floor-length great-coat, Dench rolls around, wise-cracking even where there are no jokes, quick off the mark, shrugging a shoulder. The effect is music hall simian.

From here Dench deepens and refines, as the other son Eilif, played as a cackling Samurai with a hair-knot by Miles Andersen, enlists against her wishes and finishes an example to his fellow soldiers. The Barbican stage and its revolve is the centre of the world for Courage, the wars and strife evoked by the continual billowing smoke on the periphery, lit with stunning ingenuity by David Hersey and interspersed with musicians and brutalist totems (or are they music stands ?) of conflict.

Mr Hersey and the designer, John Napier, must take full credit. In a way, this is a similar job to what they did with *Cats*. The staging is environmental, dominated by an extraordinary cart which revolves at the end of a long axle governed by a central fulcrum and compass. It is balanced by a machine of war which is the foundation for scenic additions.

Whereas the National in 1965 was still impressed with the stamp of the Berliner Ensemble's 1956 visit and Royal Court austerity, the RSC at last breaks the mould by drip-feeding Brecht with its own solution of harsh but lavish sensuality. The battles are a light show, the songs by Sue Davies to George Fenton's superb music fine in themselves and mercifully unrelated to Paul Dessau.

Is there, in fact, a hint of Grizabella the ruined glamour puss (a part first marked down for Judi Dench) in this Courage, is her cry of "Take me with you" an open sesame to the Heavyside Layer, as the offstage chorale swells and the lighting plot goes colourfully beserk? Maybe, but no harm in that. The full power of the later scenes, from the defection to Utrecht of Trevor Peacock's cynically *self-centred* cook to the death of the third child, the mute Kattrin, is moving and unimpaired.

Zoe Wanamaker is certainly the match of Lynn Redgrave's unforgettable Kattrin. Her stifled signals and frantic good nature are unerringly managed. The direction needs to make more of the drum-beating scene audible, but Kattrin's heroism on a tattered roof, giving warning to a sleeping town, is stunningly topped by Ms Wanamaker's spectacular fall and Courage's primal, rasping lullaby.

A fine company includes Stephen Moore as the travelling sardonic chaplain, Lesley Duff as a notable prostitute thriving on war, and Tilda Swinton as the peasant girl who, like Mary Martin, can sing and wash her hair at the same time.

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State of siege in Chile

DURING THE past year there have been timid, but at times hopeful, attempts in Chile to establish a political dialogue aimed at an eventual return to civilian rule. The imposition of a state of siege this week by General Pinochet marks a sharp and unwelcome change of course.

By resorting to such a drastic step, Gen Pinochet has fallen back on his traditional hardline methods. This time they could unite his domestic opponents and will certainly provide further ammunition for the regime's critics abroad.

Gen Pinochet blamed the introduction of the state of siege, the first since 1978, on the rise in opposition terrorism. There have been some 300 bomb incidents this year and six policemen were recently killed in one such attack. However, since March, a state of emergency has been in force which has provided ample powers to deal with such terrorism.

Gen Pinochet's new move seems to be at least partly psychological in its motivation—to impress upon his fellow Chileans the serious risk of destabilisation by groups on the left determined to get rid of him.

Astute

The timing is perhaps more significant. It comes in the wake of the first successful general strike against the regime and a day of protest which saw an unprecedented show of unity between the parties of the centre and the left. Throughout the 11 years of Gen Pinochet's rule, the opposition has been sectarian and divided, always playing into the General's hands. The recent unifying force has been a sense of growing frustration that the promises of liberalisation were not materialising.

The opening-up process began in August last year with the appointment of Sr Jarpa to the Interior Ministry — an astute right wing politician who enjoyed the trust, if not the respect, of many political figures in the centre and left. His brief of establishing a dialogue to prepare the way for limited elections was a cautious approach to change and largely a direct response to mounting social pressures.

These pressures were a direct result of the sudden bursting of the Chilean economic boom in 1982. Living standards dropped sharply and there was a brutal increase in unemployment. The middle classes felt let down by the regime. In the shanty towns ill-organised protest movements emerged, whose scale took both the opposition and the Government by surprise.

Unstuck

One suspects that Gen Pinochet never intended to liberalise too far. He was banking on an economic recovery to head off any discontent. But he has now come unstuck. On the one hand, the growing unity of the opposition and their more vociferous demands risk putting the pace of political change beyond his control. On the other, there is no corresponding economic carrot.

Hopes of a recovery in the Chilean economy this year have dimmed as a result of falling copper prices, continued reluctance of the private sector to reinvest, and the huge burden of Chile's foreign debt. The Government has been unable to wring from the International Monetary Fund agreement to spend the kind of money it would like to ease unemployment hardship and improve housing.

Normality

Presumably Gen Pinochet still believes that he can return Chile to an atmosphere of normality. But it is worth stressing that of his "years in power only seven months have passed free of either a state of emergency or siege. Chile today is firmly out of step with the rest of Latin America. The trend on the continent is away from military regimes, which have proved unpopular and incompetent economic managers, towards social democratic governments.

British energy price haggling

THIS YEAR'S price-setting session for Britain's electricity and gas industries has been conducted in softer tones than last year's discordant duet between Mr Peter Walker, Energy Secretary, and Mr Nigel Lawson, the Chancellor, but the tune has not changed.

The Chancellor has again argued for "economic pricing" and Mr Walker for a safe political course—which is to make sure prices rise more or less in line with inflation.

It appears that for the second year running Mr Walker, his political position now strengthened by his role in the coal dispute, has won his point.

The Treasury's problem in pressing for higher increases than those acceptable either to Mr Walker or to the gas and electricity industries is that its ability to define economic pricing has faded with time.

A year ago, the Treasury was in favour of long run marginal cost pricing—setting the price of electricity and gas according to the theoretical all-in cost over time of producing an additional, marginal unit of output. This year, the Treasury has put more stress on the argument that the industries should set prices according to their ability to make a fixed return on the current cost value of their assets. The problem then arises of valuing those assets.

Profits target

Mr Walker has conceded the general case that it is desirable to adjust slightly the balance of pricing advantage in favour of electricity against gas—on the grounds that the country has—in normal, non-strike times—surplus capacity in electricity. Hence the slightly different treatment of the two industries.

British Gas will no doubt complain that its price increase means it will exceed the four-year profits target set only this year by government. The electricity supply industry will be pleased—but alive to the lesson that the three-year financial target agreed this week, but not yet published, is likely to prove as flexible as the now to be violated target of British Gas.

The Treasury has the consolation that it still managed to extract a very large sum — probably around £1.2bn — from the two industries. No doubt as he sat through the Star Chamber meetings of Ministers which determine public expenditure plans, the Chancellor's mind was fixed upon the sum rather than the intellectual niceties of economic pricing.

It is, of course, easier to enjoy these annual rites than to prescribe alternatives, but an alternative is needed, both on the grounds of setting a rational economic framework for the industries and a market-responsive price for consumers, free of all that the latter entails for sensible use of energy resources.

Conceptually, two things are needed: a means of determining the true cost base of each industry and a more intelligent court of appeal on the subject of prices than it is possible for the Star Chamber to be.

Regulation

One way to improve the situation would be to inject more competition, through privatisation and the break-up of the existing monopolistic structures. Any such operation would be complex — elements of natural monopoly would continue in the national grid and in local distribution — but once the British Telecom sale is out of the way it is time for this subject to be re-opened.

In the shorter term, there is a case for considering a regulatory body for the power utilities, along the lines of Oftel for telecommunications. Such a body could perform a useful role in exposing political arguments about power prices to more rigorous examination even when those industries are still in the public sector.

Confusion

Haggling behind closed doors, with the outcome depending at least in part on the political weight of the participants, does nothing to enhance public understanding of the issues involved. Taxpayers and consumers are confused about the rationale of price increases in the face of apparently very large profits and about claims from the industries concerned that "their" money is being siphoned off by a rapacious Treasury. No doubt the present government would recoil from the thought of setting up another "quango," but Oftel is a step in the direction of utility regulation which could be extended.

UK TAX CHANGE OPTIONS

The 1985 Budget battle heats up

By Clive Wolman

THE 1985 Budget is still four and a half months away but already the leaking of reports about its contents and the campaigns of the lobbyists are in full swing.

For the insurance companies, which were caught off guard by the abolition of life assurance premium relief in the 1984 Budget, the 1985 battle began in May. Then reports circulated about the possible removal of the tax privileges of pensions, which led to a bonanza in commissions for the salesmen of private pension plans. In recent weeks, financial advisers have been telling those clients who are beyond the minimum retirement age to leave their jobs and take their tax-free lump sums, sometimes over £100,000, before the tax rules change.

The Life Offices Association this week published a detailed information pack which seeks to justify the maintenance of the status quo over pensions. An academic paper, commissioned by the National Association of Pension Funds and published today, does likewise. Both the LOA and individual insurance companies, such as Legal & General, have retained the services of professional lobbying agencies to bolster their campaign in Parliament.

Similar campaigns are being organised by the book and newspaper publishers and the construction industry, prompted by fears that Value Added Tax will be extended to their products.

The speculation and the fears arise from the Chancellor's tough tax-reforming measures in the Budget and his talk of a longer-term reform programme remove special privileges and exemptions.

The early indications from the Treasury are that the publishers have more to worry about than the pensions lobby.

In a speech last week on the Government's tax reform policy, Mr John Moore, the Financial Secretary to the Treasury, made no mention of pensions and referred only briefly to capital gains tax but he emphasised that the Government's twin objectives were to achieve a more broadly-based tax system and to shift the burden of tax from income to spending.

PENSIONS

Lump sum conundrum

THE TAX privileges of pensions are granted at three stages: when the contribution is paid in and is offsettable against the beneficiary's top rate of income tax; when the funds are invested to yield tax-free returns; and when the money is paid out to the pensioner. Although the pension is taxable, the lump sum payable on retirement is tax-free.

The imposition of tax on the lump sum as if it were regular income would be the simplest and most logical step to take, particularly in view of the tax avoidance schemes for the self-employed that it has spawned. A similar reform was undertaken four months ago in Australia.

So as not to upset the expectations of those close to retirement, the change would have to be phased in over several years. And civil servants, among the main beneficiaries of the tax-free lump sum, would have to be allowed to convert their payment on retirement into higher pensions.

Such a change would contain an element of retrospective legislation, which the Government opposes on principle, in that some earlier pension contributions will have been made in expectation of their producing tax-free lump sums. But there is no alternative—it would be almost impossible to disentangle the actuarial value of each individual's contributions before the change from those coming after it.

Taxation of the lump-sum payments on retirement would, after a transitional period, raise about £500m extra in tax.

The move would also highlight the anomalous tax exemptions accorded to "golden handshakes" and lump-sum redundancy payments.

The removal of the other tax privileges of pensions would be more difficult. The most extreme reform would subject all contributions to income tax and pension fund investment returns to corporation and capital gains tax—and exempt the payouts from tax.

But if employees' contributions to pension funds were taxed as part of their incomes, companies could make funding provisions on their behalf. Any attempt to deem such provisions to be part of the income of each employee would baffle even the most sophisticated actuaries armed with a hall full of computers.

A more likely possibility is that the Government will leave contributions alone and impose a tax on the internal investment income and capital gains of the pension funds. As well as boosting revenue, this might remove some of the distortions in financial markets, for example dividend stripping. This involves passing shares or bonds to a non-taxpayer like a pension fund just before the dividend is payable so that it can be received tax-free.

But if the taxation of life assurance policy funds is anything to go by, other distortions and tax avoidance devices would become even more widespread. In particular, pension funds like life offices would be deterred from selling their assets for fear of realising a capital gains tax liability.

In view of these complexities, the Chancellor must be tempted to postpone any major reforms, except perhaps taxing the lump sums, until the Government's portable pension legislation has been approved. And that means no action until 1986, if ever.

CGT

Six options for reform

IN THE last Budget, the Chancellor said he "hoped to return next year" to the subject of capital gains tax.

The simplest approach to CGT would be to abolish it. In terms of yield, the sacrifice would not be great. The present yield from companies and individuals of about £1bn a year still reflects the large nominal gains made during a decade of high inflation. But since 1982, only gains above the inflation rate are taxable, which is expected to cut the yield eventually by over 50 per cent.

But the abolition of CGT would create an even greater incentive for tax avoiders to convert highly taxed income into capital gains. The offshore "roll-up" funds and gilt trading to avoid dividend payments have been just two recent variations of an ancient theme.

The Treasury is now considering six options for the reform of CGT presented by the Inland Revenue. These include proposals to simplify and extend the rules for adjusting taxable capital gains to take account of inflation. The Treasury is not willing to allow short-term gains realised by selling an asset after less than a year to be index-linked. This, it fears, would lead to the index-linking of interest, so that only the real interest element would effectively be subject to tax.

The CGT accounting problems would be drastically simplified, if full indexation beyond one year was permitted. This would allow a nominal capital gain, if less than the rise in the price level, to be treated as a real capital loss which could be offset against other real gains.

One other possible change may be the phasing out of CGT on life assurance policy funds. The tax loss to the Revenue from such a change would be small as the life offices have been skilful in creating capital losses and minimising realised gains. But it would create greater parity with unit trusts as an investment vehicle and would allow the life offices to sell off and deal more actively in their shares and other assets without being taxed on large realised capital gains.

A more consistent strategy for a Government committed to weeding out the economic distortions caused by tax would be to move in the opposite direction and tax capital gains on the same basis as income. The £5,600 personal annual exemption from CGT would be removed and rates of 30 to 60 per cent would apply.

But the Chancellor would then be faced with insuperable difficulties over the taxation of unrealised capital gains and inflationary gains.

The only non-distortionary method for side-stepping these problems would be to adopt the present pension fund model to all forms of savings and investment. All savings would be offsettable against income tax and all withdrawals from savings would be taxable as income. But such a radical reform, although suggested by the Meade Committee six years ago, was ruled out by the Chancellor in the last Budget.

The other measure which would boost stock market turnover is the proposal, likely to be approved by the Treasury, to cut the rate of stamp duty further from 1 to ½ per cent. In this year's Budget, it was cut from 2 to 1 per cent and now raises only £500m. The Inland Revenue's consultative document of March 1983, which envisaged no major cuts in the duty, appears to have been abandoned.

A further cut in the yield from stamp duty would, however, strengthen the case that it could, and should, be abolished as an anachronism

HOW THE RICH GET MORE BENEFIT FROM ZERO RATING . . .

VAT

IN THE 12 years since its introduction, Value Added Tax has become the Government's third largest revenue raiser, yielding about £18bn this year compared to £34bn from income tax and £24bn from National Insurance contributions.

However, more than 40 per cent of consumer expenditure is not subject to VAT, most commonly because it is zero-rated.

The main reason for the zero-rating of certain goods (see table) is to lessen the burden of VAT on the poor. Zero-rating not only exempts retailers from charging VAT when selling those products, they can also reclaim any VAT they have paid when buying the products or services.

Those retailers selling zero-rated products, for example supermarkets, already have to deal with the VAT system to reclaim the tax on some of their inputs. Therefore extending VAT to food should not greatly increase their administrative and compliance costs.

Professor Cedric Sandford, of the Centre for Fiscal Studies at the University of Bath, who recently conducted a study on VAT for the Irish Tax Commission, is sceptical about the usefulness of zero-rating. "The poor spend a higher proportion of their income on food," he says. "But in absolute terms, the rich spend much more and thus get more benefit from zero-rating. For children's clothing, the difference is much greater."

He suggests that VAT be imposed at the full rate on children's clothing and footwear and that child benefits be increased to compensate only the poorest families.

It would be more difficult to avoid so neatly the adverse effects on the poor by imposing VAT on other zero-rated products. But if a wider VAT base were introduced at the same time as a substantial rise in the basic rate income tax threshold, so that many low wage earners would no longer have to pay tax, a crude form of compensation would be provided. This would diffuse some of the political protest against imposing VAT on certain foods and electricity.

One category of VAT zero-rating which favours the rich more than the poor, even in relative terms, is that of books, newspapers and periodicals. The reason for zero-rating is that they are deemed to have a cultural or educative value. But as *newspapers* and *books are* taxed in five other EEC countries, albeit at different rates, and as theatre tickets and objets d'art are taxed in this country, this argument has limited force.

Zero-rating would have to be removed from newspaper advertising as well, so that free newspapers would gain no competitive advantage.

It is in any case difficult to assess on precisely whom the burden of VAT falls. When VAT was imposed on hot take-away foods in May, only about half the 15 per cent increase was passed onto the customers in higher prices.

There was a similar experience when VAT was raised to 15 per cent in 1979. Mr David Freud of stockbrokers Rowe & Pitman says: "It seemed to be split half-half between retailers and customers at first. But after about six months, it started feeding back to the manufacturers who had to cut their margins. And many of them remained depressed until after the recession."

The precise effects of such a change will vary from industry to industry. In the newspaper industry, for example, characterised by intense competition, low profits and often high wages, the main effect may be to force down future wage claims.

Instead of imposing a flat 15 per cent VAT on all products currently zero-rated, the Chancellor may choose a more politically acceptable compromise. This could mean bringing just a few products into the tax net or imposing a lower rate on all the favoured goods of perhaps 5 or 7½ per cent.

Whatever happens, basic foods are unlikely to be brought into the tax net because of past commitments made by the Prime Minister, Mrs Thatcher. This may mean that foods would be rated in three different bands.

"It would mean taxing Camembert but not Cheddar, or White Stilton but not blue," says Mr John Kay, director of the Institute for Fiscal Studies. He believes the VAT net ought to be extended as widely as possible and he has suggested how banking services could be included. At present banks charge no VAT to their customers. But they are not allowed to reclaim VAT on their inputs.

"LOST" REVENUE

Revenue forgone per year through VAT zero-rating (excl. minority categories)

	£m
Food	3,500
Transport	450
Books	85
Papers, magazines	290
Fuel and power	1,350
Construction	800
Children's clothing and footwear	250
	6,725

Source: 1984 Government estimates

Men and Matters

Testing times in Sydney

Australia finally blew its top yesterday about French nuclear tests in the south Pacific.

More than 100 tests have been carried out at Mururoa Atoll since 1964 — including six this year. And the French have indicated they will go on testing for another 15 years in Australia's "back-yard."

Australia has already suspended sales of uranium to France in protest.

But in its sternest censure yet, Australia's Foreign Affairs Minister, Bill Hayden revealed that he had commissioned a secret geological survey of France to prove that the tests could just as well be made there.

The assessment had been made by "appropriate public service authorities," said Hayden, raising visions of Australian secret servicemen turning over countless French rocks.

"There are lightly populated areas (of France) where there are large and hydrologically favourable granite formations suitable for testing," he reported, revealing hitherto un*suspected scientific talents.*

"Two especially favourable sites are in the Massif Centrale. Again, almost all the eastern, central and southern areas of Corsica could be suitable.

"The Government's advice is that the significant problems for nuclear testing in these areas could be political, not technical. In other words, it suits the French to export their political problems to the area where we live."

Off screen

The cinema is meeting unstoppable competition from the banking business in the offshore world of island tax havens.

No sooner has the last cinema surviving on Bermuda — the Rosebank—been sold to the N. T. Butterfield bank (which is to build an office block on the site) than Guernsey's last cinema, the Gaumont, is threatened with a similar fate.

Ironically it is the Bank of Bermuda, already established in Guernsey, which wants to knock down the Gaumont and put up a four-storey office block.

In Bermuda the campaign to save the Rosebank was led by a Bank of Bermuda employee.

Guernsey cinema-lovers are wondering whether a petition to have him posted to their island would help save the Gaumont.

On track

Birmingham may at last get what its town planners seemed to have in mind when they redeveloped the city centre—an international motor-racing track.

The city council voted by a large majority this week in favour of holding an international motor race on a circuit running through the central area of the city.

The support of MPs is now being sought for a private Bill in the Commons that would sanction the event.

Labour leader of the council, Dick Knowles, says: "The race would be big, tough, noisy and popular—like your average Brummie. It would be an event that put us on the map internationally."

Britain's motor industry city, it is estimated, could pull in around £10m a year from a race of the kind that has proved successful in such U.S. cities as Dallas and Detroit.

A local company, International Festival Services, has been appointed consultant to the council on staging the event, which is tentatively planned for 1986.

Managing director Martin Hone, a former racing driver, says the Birmingham race could prove a major international attraction. "Of course, we are not talking about Formula One, but we believe we can attract some top championship events

"Navigator's log? I see no navigator's log"

—and who knows how it may develop."

If the French, Italians and Americans could stage such races, there was no reason why a centre of the car industry like Birmingham could not. "Races of this kind have helped to create new images for other cities, provided the intensive media coverage which is sorely needed in Birmingham."

Coal stocks

Of all Britain's coal hoards, the most surprising I have uncovered is the 120 tonnes that lies less than a mile from the vaults of the Bank of England. It is in the basement of Triton Court, the massive pile in Finsbury Square which is seeking tenants after a £60m refurbishment.

John Berry, of consulting engineers Ove Arup, tells me it was decided in 1981 to replace the old, oil-fired boilers with coal. Gas was then in short supply.

And despite the miners' strike, Berry says he would probably still choose coal because of its cost competitiveness.

They were not too pleased at the Guildhall to hear of coal being burned so close to the Square Mile. But the building is in Islington, and is not subject to the City's anti-smoke regulations.

Berry says that the coal, ordered specially from Mansfield, is cleaner to burn than any other fuel except natural gas. There will be hardly any sign of smoke.

Passers-by will not even know when the coalman is calling. The coal arrives in tankers and is pumped pneumatically through rubber pipes into the bunkers. The ash is removed with equal discretion.

Gilt complex

There must be some fast readers in the City. On Wednesday the Bank of England published a discussion paper on the future structure of the gilt-edged market, laying down the rules of the game for primary dealers. The rules are of quite bewildering complexity, as anyone who has pored over the tables which accompanied the document will attest.

The Bank has sensibly allowed prospective applicants several months to work them out and decide whether the game is worth the candle.

But one City firm apparently needed less than a day to form a judgment. Yesterday an advertisement appeared in the FT for a managing director to head up a new primary dealing business in gilt-edged. The advertiser describes itself as "one of Britain's most dynamic financial services groups" and promises very substantial compensation to the successful candidate.

Anyone who can understand the rules would deserve it.

Observer

POLITICS TODAY

For Mondale, read Foot

By Malcolm Rutherford

Question: "If you get a large mandate from the voters, what are you going to do with it?"

Answer: "I would want very much to . . . continue with what we have been doing . . . reducing the share that government is taking from the gross national product . . . making government more efficient. . . . We are still whittling at the useless regulations and all. . . . On the international scene, to continue really the drive for peace . . . bringing the Soviet Union to the table."

Who said that? It wasn't Mrs Thatcher, it was President Reagan. But the very fact that it could easily have been the former is enough to indicate the similarities as Mr Reagan follows the Prime Minister into his second term.

There are differences, of course. Never underestimate the effects of an electoral system on a country's politics. President Reagan scored a personal victory, but his Republican Party did less well. He is subject to all sorts of checks and balances: a Democratic majority in the House of Representatives, mid-term elections in 1986 and, unlike Mrs Thatcher, he cannot run again. The battle for the

It can shape a generation—for good or ill

Republican succession is already more advanced than it is in the Tory Party and which strand of Republican thinking will come out on top is of considerable interest.

There are, after all, elements in the Republican Party which have not yet been aped even by the Tory right. Congressman Newt Gingrich of Georgia, for instance, who is said to be a coming man, combines advocacy of a strong space policy with care for the disabled and calls it "compassionate high tech."

He wrote in a recent book: "In a zero gravity environment, a paraplegic can float as easily as anyone else. . . . Wheelchair-bound adults begin asking questions in an enthusiastic tone when exposed to the possibility of floating free, released from their wheelchairs. Several have volunteered to be the first pioneers of the space shuttle."

Will it be he and his like who seek to take the Republicans into the 1990s, or more conventional politicians like Vice-President Bush? Personally I find the suggestion that Mr Reagan will step down voluntarily in about two years, allowing Mr Bush to take over, rather plausible. In that way he could try to ensure Republican control without the Party passing to some of its extremists. It would be entirely constitutional for him to do so, although there are no precedents.

Nevertheless, it is still the similarities with Britain that are striking. The first point is that a two-term government, when the full course is run, is a very long time in politics and indeed in human life. Like Gaullism in France, it can shape a generation — for good or ill. Children are growing up who have never known a world without President Reagan or Prime Minister Thatcher.

Rather than dwell on the heavy responsibilities which that obviously places on the leaders, however, it may be worth thinking what happens to the opposition in the meantime, for all good things come to an end, and perhaps all bad things as well.

Two preliminary points: the Wilson years shaped a generation, too, but at least in party terms they were an era of disillusion. It is arguable that we would not have the wild left today if Lord Wilson's dream of the technological revolution, classlessness, meritocracy and the natural party of government had come true. Present governments shape future oppositions.

Secondly, de Gaulle failed in one important respect. He did not in the end create a Gaullist party. The French right and centre-right is full of factionalism: quarrels between Barre, Chirac, Giscard d'Estaing and so on. The succession passed to the left in the fairly unlikely form of the coalition between the Communists and the Socialists and their common programme.

Second term leaders Ronald Reagan and Margaret Thatcher. But what about the opposition?

To return to Britain and America: Walter Mondale is Michael Foot. True, he is a younger man, but a great deal else is the same. He had been Vice-President as Mr Foot had been Deputy Prime Minister. He fought a thoroughly honourable and decent campaign, keeping up to the last the pretence that the result would be a surprise, in spite of the opinion polls.

Yet, as with Mr Foot, we now know that he had privately conceded defeat beforehand. The only surprise on the night was that he lost as heavily as he did. And, like Mr Foot, he is withdrawing from the party leadership — in Mr Mondale's case, from politics altogether.

The question is where opposition parties go from there, particularly knowing (or do they?) that they are condemned to be in opposition for several years and will have to fight the next election on new ground.

Old coalitions, old certainties and perhaps even old convictions have broken down. Mr Mondale could not win simply by trying to restore the old Democratic Party coalition of blacks, trade unions and the big cities. Some of the constituents had deserted him to the other side, and some did not vote. Besides, perhaps the old coalition has become too narrow a base for a major party to rely on. Many of the aims of the Democratic Party were achieved long ago; the voters have moved on.

Equally in Britain: the Labour Party cannot depend on the working-class vote, partly because it is so diminished in size because of the effects of social and economic change. It cannot depend on the trade unions either because, as the miners' dispute has shown, the trade unions are now a disintegrated movement.

The latest development — unthinkable a few years ago — is that the electricians' union may be about to seek affiliation to the Confederation of British Industry, whose conference at Eastbourne this week was sadly overshadowed by other events, like the American elections and the Queen's Speech. (You would have thought that the CBI, of all people, would have been capable of planning a better time-table if it wanted publicity.)

But there has to be an opposition in reserve for the future of the country: in America or in Britain. So how do you put something together again?

In Britain something striking has happened in the last few weeks. Mr Neil Kinnock, the leader of the Labour Party, has taken off. His decision not to attend the miners' rallies organised by Mr Arthur Scargill, the NUM president, was, if not the crossing of the Rubicon, at least the crossing of one of its tributaries. Mr Kinnock has publicly dissassociated himself from the far left.

There have been other factors, not least the election of a pragmatic, hard-working and intelligent shadow cabinet. One was sorry to see the departure of Mr Eric Heffer, who represents a great deal that is good in the British tradition of conservatism with a small "c," but the most telling point heard against him from former supporters is that he did not work hard enough at his brief: namely, housing. It might have been rather an effective subject on which to attack the Government.

Mr Kinnock himself has learned to discipline his speaking. He did well in the debate on unemployment last week and again in the debate on the Queen's Speech, where his contribution was notably shorter than that of the Prime Minister.

He was outstanding at a rather more private meeting of the Fabian Society on Wednesday where he told a story—too long to print here—about the KGB and a lost parrot in Moscow which one hopes that he will repeat when he visits the Soviet Union later this month. He is behaving, in short, rather like an American Presidential candidate for 1988.

Is that enough? The answer is probably no, if only because the Tories have such a large majority that they can afford to make mistakes and the Labour Party is still in disarray. Something might be done, and quite likely will be, about improving relations between the Parliamentary Party and the Party organisation in Transport House when Mr Jim Mortimer, the Labour general secretary, leaves in the next few months. But the diversions within the Party are still very wide. Therefore it has to face the possibility of defeat yet again.

The trouble is that that is precisely what most of the left declines to face. One of the reasons why Mrs Thatcher and Mr Reagan go on winning is that the opposition forces are so split. It might at least cross some minds that there is a case for a broad left seeking to bring all the constitutional opposition forces together.

The subject was dicussed — more or less with sugar tongs — at a conference organised by *Marxism Today*, still the theoretical magazine of the British Communist Party, at the City University last weekend.

What came out most was how people from different parties dislike each other so much. True, there is now a marked convergence between sections of the Liberal Party and the left wing of the Labour Party. But,

If not the Rubicon, Mr Kinnock crossed its tributary

for the rest, it is all animosity. Particularly striking is the distrust among some members of the Labour establishment of anything to do with *Marxism Today*.

Yet if the left cannot unite, it may be condemned to go on losing. I have one suggestion. The broad left should team up behind the attempt to take control of the Morning Star, the Communist Party daily newspaper, away from the Stalinists. You might then have a genuine left-wing paper with editorial flair, possibly run on low cost modern technology. It would be vastly preferable to Mr Robert Maxwell and the Daily Mirror.

* *Window of Opportunity: a Blueprint for the Future. Tor Books.*

Lombard

Apple's message for Europe

By Nicholas Colchester

THE AMERICAN electorate has given the world four more years of the Californian ethic, so it seems appropriate to talk of Apple Computer, the silicon valley company which established the personal computer as an industry for the 1980s. In early 1977 the company was based in a garage and worth $5,000. By the end of 1980 it had a stock market valuation of $1,800m, greater than the Ford Motor Company or Chase Manhattan Bank. The story of this incomprehensible phenomenon is well told by Michael Moritz of Time Magazine in his recently published book, The Little Kingdom.

The book jolts the European reader because it makes a mockery of our tendency to seek institutional paths to new technologies, new products, new enterprises and restored economic growth. We think that EEC money should be pumped into research. We think that venture capital funds should be established to invest in small businesses and that such tender plants must be cossetted by government. We wonder whether the secret lies in education and job training. We are not necessarily wrong, given our circumstances. But it is humbling to discover that Apple might more aptly have been called Truffle. It was not the result of cultivation. It had weird underground roots that thrived in a medium impossible to define or reproduce.

If this sounds fanciful, consider the following: Apple was founded by two strange university drop-outs, Steven Jobs and Stephen Wozniak. They were "Phone Freaks"—members of a furtive clique that unscrambled the computer codes of the Bell telephone system. Their first business was making "blue boxes" of electronic components which enabled students to make free long distance telephone calls. They refined their skills, not in Bell Labs, but in defrauding the system which had set Bell Labs up.

The development of the first Apple Personal Computer cost a pittance. The two men were members of the Homebrew Computer Club, founded in the Whole Earth Truck Store in Menlo Park in 1975. The club brought together hobbyists to explore the possibilities of the micro-processors that could be begged or bought as rejects from established electronics companies like Intel or Motorola. Wozniak and Jobs built the first Apple in a spare bedroom at home. It was a cult, not finance, that brought forth the personal computer.

The couple were not well trained electronic engineers in the conventional sense of the word. While they could coax extraordinary computing power out of a given chip, they were flummoxed when it came to designing the transformer that would power the thing. They had grown up thinking in digital rather than analogue terms and the book offers some nice insights into the difference between the two cultures.

But in turning their hobby product into a spectacular fortune Jobs and Wozniak benefited from three familiar advantages on the American scene. First there was the U.S. venture capital network. This was based not on institutions but on the individual wealth and contacts of men like Don Valentine who would explain: "If a man comes to my office and says he wants to be a millionaire, I'm bored to death. If he says he wants to make a billion dollars I say 'tell me about it,' because if he comes close we are all going to clean up."

Then there was the size of the American market. From the start the two men went to U.S. trade fairs that would display their fledgling product to a national audience. Imagine what an extra impulse Clive Sinclair would have received had he been able to present his products to the entire European market simultaneously, and then had been forced to meet the resulting demand.

Finally there was American hire-and-fire. Apple Computer's extraordinary growth involved such a rate of hiring that it was quite impossible for the management to vet the intake properly. Later on, this led to firing when the management found the company had over-reached itself. But it is striking how the young management positively revelled in hiring, quite unfettered by the prospect of obligations and liabilities that restrains the European entrepreneur.

The Little Kingdom is published by William Morrow and Co., New York.

Letters to the Editor

Support for industry

From the Director General, Federation of British Electro-technical and Allied Manufactures' Associations

Sir,—At the Confederation of British Industry conference last Monday there was a lively debate about the belief that Britain's future is dependent upon the restoration of a sound manufacturing base, to which end financial, economic and industrial policies should be firmly directed. My federation welcomes the conference endorsement of the resolution.

For 300 years manufacturing has made a vital contribution to our well-being — fostering enterprise, creating jobs, paying for imports and providing capital goods.

In the 1850s British industry led the world, yet now it is said that we are close to the bottom of the league. Although our industry has grown, that of many of our competitors has grown faster.

In this context BEAMA represents the electrotechnical capital goods industry which is part of the engineering sector. In 1984 this engineering sector produces nearly 11 per cent of gross domestic product, and employs some 2.6m people. Nevertheless, in the last 10 years this sector has lost nearly 1m jobs, has reduced its sales by 14 per cent, and moved from a healthy balance of payments surplus to a deficit.

While the electrotechnical capital goods industry is in much better shape than most other engineering industries, we strongly endorse the mood at the CBI conference. We contend that Government must recognise the vital role of engineering in the adaptation and well-being of Britain. Some key policy initiatives would help those who are lifting industry off its knees.

We want help from the Government in a number of areas, connected with resources and markets.

The key resource is labour. Throughout the length and breadth of Britain our industry is short of production, electronics, and quality assurance engineers, of metrologists and technicians, of programmers and wiremen. We must have increased Government action to rectify these shocking shortages of skilled labour.

Profits are a basis for the investment resource. The public sector, as monopoly purchasers in a recession, is squeezing profit margins, reducing thereby our ability to develop products and markets. Indeed of late, because of the abolition of the 100 per cent capital allowance for plant and machinery, there has been effectively a tax on investment.

On the subject of markets, British public sector purchasing and the third world are vital to our industry's survival. An iron-nosed approach to capital expenditure, based only on direct rates of return and write-off over a short period, ignores a whole range of indirect financial benefits. BEAMA has pressed consistently for an overall net national benefit approach to public sector investment decisions, and now does so again. Infrastructure investment increases efficiency, saves jobs and businesses, and provides the essential base for export success.

In the third world, where we see desperate need for what the west can provide, there is almost equally desperate competition to sell. Yet Britain, out of 17 countries in the Organisation for Economic Co-operation and Development from 1981-83 was, with Austria, alone in reducing the proportion of gross national product going in aid. Indeed in 1983 we were thirteenth out of the 17 in the proportion of GNP allocated to aid. Foreign Governments do regard aid as enlightened self-interest. Thus we are able to read, in the Financial Times of October 26 this year, concerning a £240m Japanese success in Malaysia: "Observers say the Japanese companies were strongly favoured to win the contracts over their foreign competitors as the Japanese government and financial institutions have agreed to finance as much as 70 per cent of the cost through concessional loans."

Critics might suggest that all of this represents arguments for subsidy, and is the antithesis of open competition and free trade. The world out there is not perfect, and in the meantime industry has to get on with it. We are poised for growth, but we need supporting policies

Gordon Gaddes.
8, Leicester Street, WC2

Industrial assurance

From the Secretary, Industrial Life Offices Association

Sir,—The article on life companies (November 5) fell below Eric Short's usual excellent standard in that it gave a misleading impression of the new business results achieved so far this year by life offices writing industrial assurance business.

The graph showing the trend of industrial branch new business premiums over the past 10 years was based on figures for the first nine months of 1984 alongside annual figures for the preceding nine years, thereby showing an apparent steep fall. A 12-month projection of the nine-month figures would have shown only a very slight reduction.

The fact is that, despite the withdrawal of the 15 per cent tax relief on premiums in this year's Budget, the annual premium value of new industrial assurance business was only 2.4 per cent lower than in the first nine months of last year, a much better result than that recorded for regular premium life assurances generally. Industrial assurance continues to show great resilience.

Brian Sharp.
Aldermary House,
Queen Street, EC4.

Lloyd's and the Revenue

From Mr K. Louw.

Sir,—The insurance article by Mr Moore (October 29) calle for some comment.

The arguments put forward by Lloyd's seem to me to be largely defensive. Is it not time to go over to an attack on the Revenue for trying to enforce an archaic system of taxation?

The present underwriting problems at Lloyd's arise not so much from current business but from the past. Nowadays the nature of the business is such that inadequacies in current underwriting will only be apparent in the 1990s. For example, the current asbestosis losses relate to business written many years ago.

Many of the years to which the asbestosis losses relate—the late 1950s to the early 1970s—were reported at the time as being some of Lloyd's best post-war year. Now that these losses have become apparent how do those years appear in perspective? In addition, those appuarent underwriting profits were taxed at rates up to 98 per cent for outside names. It is small consolation to current names who have to bear the cost of this deterioration that the tax relief granted is at lower rates.

One simply cannot apply to the insurance industry a taxation system designed for widget makers and manufacturers of cotton goods. They turn their stock over a few times a year and at the end need merely to count the quantities

It is just not possible to get accurate insurance results on this basis even with a 36 month accounting system as currently used by Lloyd's, and it should not be possible for the Revenue to calculate taxation due on these "results." It is, therefore, even more iniquitous for the Revenue at the present time to issue purely arbitrary assessments.

Prudent underwriters need to make provision for losses which they cannot prove have arisen but which they know will eventually come out of the woodwork. But under current rules they cannot make provision for something they cannot prove.

Perhaps the Revenue can give assistance in this. In a number of countries the profits of insurance companies are largely untaxed until distributed to shareholders. Designated as "catastrophie reserves," "equalisation reserves," etc these surplusses accumlate as an additional protection for policyholders. The absence of such a regime is a major cause of the erosion of the strength of the British insurance industry ana its ability as a major source of foreign earnings.

K. V. Louw.
61, Queen Street, E.C.4.

Uphill work for electric vans

From the Director, Electric Vehicle Association.

Sir,—Writing (November 7) as he does from Church Farmhouse, Woodbridge, I suspect that Mr McCarthy lives among dairy farmers even if he is not one himself. I am therefore surprised at his intolerance of milkfloats. This humble vehicle has filled the coffers of enough rising dairymen to stretch from Woodbridge to the Woolwich Building Society. It is from savings gleaned from electrics that such astute men buy their Jaguars.

The fact is that electrics do save a lot of money, but, milkfloats in particular, are also slow. So perhaps on behalf of all the remaining manufacturers of electric milk floats, I can say a big sorry that you have been kept waiting.

As to how fast the new electric Post Office vans go uphill with normal load, I can categorically answer "40 mph." Even if Mr McCarthy chooses to raise the gradient, the answer is still "30 mph." Don't let's get technical, but just say that the new 50 horsepower motors put lots of power in your right foot.

The electric vehicle industry is proud of its new technology. Our product range now stretches from tractors big enough to pull jumbo jets weighing 350 tons to electric vehicles for the disabled. The Post Office vans represent a tremendous leap forward in speed and range capability.

I like Mr McCarthy's picture of being followed by 25 oil-burning and polluting cars. It really is time we put an end to them isn't it?

D. C. Gribble.
13, Golden Square, W1

FINANCIAL TIMES
Friday November 9 1984

Gensher denies role in Flick's tax exemption

BY RUPERT CORNWELL IN BONN

HERR Hans-Dietrich Genscher, West German Foreign Minister and leader of the Free Democrats (FDP) yesterday became the latest senior politician to deny that he had helped the Flick industrial group in its successful bid for a DM 800m ($272.6m) capital gains tax exemption in the late 1970s and early 1980s.

Herr Genscher was testifying to the parliamentary committee probing clandestine donations made by Flick to various political parties. On Wednesday, Chancellor Helmut Kohl gave his own similar evidence to the panel.

The prevailing view last night was that Herr Kohl, in almost seven hours of questioning, had succeeded in distancing himself from the more damaging aspects of the Flick affair – in particular that he had in any way been concerned with the tax waiver.

This episode has already led to corruption charges against Count Otto Lambsdorff, the former FDP Economics Minister, while Herr Rainer Barzel was forced to resign a fortnight ago as President (Speaker) of the Bundestag (parliament) again amid allegations that he had indirectly been a beneficiary of Flick's munificence during the 1970s.

The appearance of Herr Genscher, on the other hand, has coincided with a fresh tide of embarrassment and turmoil for his already battered party.

Earlier this week it emerged that the FDP had received a secret donation of DM 6m in December 1983 – shortly after the parliament had passed a law making all contributions by industry of over DM 20,000 a matter of compulsory public record.

The mysterious gift was anonymous, and the FDP is now in much discomfort appealing for the donor to come forward. Herr Genscher told the committee yesterday that this contribution had been perfectly legal, but he agreed that Flick had "consistently supported" the FDP since the mid-1960s.

Even worse, at the very moment he was giving evidence it was announced that Herr Jürgen Morlok, deputy chairman of the FDP and its leader in the state of Baden-Württemberg, had resigned.

The departure of a man who until recently had been tipped to succeed Herr Genscher at the head of the party came as a complete surprise, but the move seems to be connected with the FDP's bad electoral failure in March in Baden-Württemberg, traditionally its stronghold.

In his testimony, Herr Genscher admitted that he had been on friendly terms with the former Flick executive Herr Eberhard von Brauchitsch, arguably the key figure in the complex story of the payments. He also recalled that the tax waiver issue had been briefly raised by Herr von Brauchitsch at a meeting in August 1980.

Subsequently, Herr Genscher said, he had checked on the matter with Count Lambsdorff then Economics Minister, who told him that the application was proceeding "normally."

Flick's tax wishes had, however, never been an important matter for the Government, the Foreign Minister insisted. As he remembered, it had never once featured in the many discussions he had had with the then Social Democrat Chancellor Helmut Schmidt, leader of the SPD/FDP coalition which fell in October 1982.

Italy and France in aerospace link talks

By James Buxton in Rome

ITALY AND France are discussing closer co-operation in both civil and military aerospace projects in the two-day meeting between the leaders of the two countries that began in Paris yesterday.

Sig Bettino Craxi, the Italian Prime Minister, was due to hold personal meetings with President François Mitterrand. He led a team of seven ministers in talks with their French opposite numbers.

France is expected to try to persuade Italy to participate in the project put forward by Airbus Industrie to build a large intercontinental airliner, the TA-11. The French Government has been deeply disappointed by the fact that Italy has neither joined the Airbus consortium nor bought or ordered many aircraft in the Airbus product range.

Alitalia, the Italian national airline, has only bought a few Airbus A-300s.

Aeritalia, the state-owned aerospace company, has expressed some interest in the TA-11 project, which has yet to go ahead. However, it has strong links as a subcontractor and junior manufacturing partner with both Airbus Industrie's U.S. rivals, Boeing and MacDonnell Douglas, which it would not want to prejudice.

Italy is likely to reiterate its dismay at the decision of France and West Germany to collaborate in developing and building a new anti-tank helicopter, although the Italian state-controlled company Agusta has already built the A129 anti-tank helicopter, thought to be the most advanced of its kind.

As possible compensation, however, France may offer to allow Italy a leading role in a project to build a troop-carrying helicopter, a scheme for which several helicopter makers in Nato countries are preparing designs. Italy has discussed with Britain the possibility of collaborating with Westland on a similar project. Westland and Agusta are already in a joint venture to produce a naval helicopter, the EH101.

France would also like closer co-operation with Italy in the field of electronics and telecommunications. There was dismay in Paris when the Italian state-owned electronics company Stet recently signed a series of agreements with the U.S. giant IBM. Since then, however, Stet's telecommunications subsidiary, Italtel, has agreed to do joint research on telephone exchanges with the French telecommunications concern CIT-Alcatel.

The issue of relations between EEC countries and Argentina is also on the agenda. Italy and France would like a warmer dialogue between the EEC and Argentina than Britain is prepared to tolerate. Both countries abstained with some reluctance in the recent U.S. vote on the Falklands.

France would also like to hear more about the Italian suggestion of an EEC initiative on the Middle East, which might be launched during the Italian presidency of the community, which begins on January 1.

Schmidt draws up plan for monetary stability

BY JONATHAN CARR IN FRANKFURT

HERR Helmut Schmidt, the former West German Chancellor, has drawn up a detailed action programme to develop the European Monetary System (EMS) step by step.

He stresses that the key aim is to achieve a new stability by the end of the decade between the three main world currencies – the dollar, the yen and the European currency unit (Ecu).

"Nothing would be more important than this for worldwide economic exchange since the collapse of the Bretton Woods system" (of fixed exchange rates), Herr Schmidt says.

The former Chancellor was writing in the weekly Die Zeit after many months of public silence on the EMS, which he and ex-President Giscard d'Estaing of France co-authored in 1978.

His plan is based on the belief that sharp currency fluctuation hinders trade and economic growth, and that more stability is possible. This view is not shared by everyone, especially not by the U.S. Administration.

Herr Schmidt makes it clear that he expects some basic opposition to his scheme, even from among European Community countries, not least from Britain which is not a full member of the EMS.

He notes, however, that a lot of his proposals could be quickly put into effect without first requiring a change in EEC treaties, to which all EEC members would have to agree. His points include:

● Developing the role of the "official" Ecu (held by central banks) and improving the interest paid on Ecu balances.
● Extending use of the "official" Ecu to central banks of countries outside the EMS but closely involved with the EEC economically.
● Boosting the use of the "private" commercial Ecu, especially by allowing Ecu-denominated bank accounts in West Germany. The Bundesbank is the only EMS central bank to forbid such accounts.
● Closer co-ordination of currency intervention by EMS central banks vis à vis the dollar. This should ultimately lead to replacement of swap agreements between the U.S. Federal Reserve and individual EMS central banks, with a bilateral swap operation between the Fed and the European Monetary Co-operation Fund (EMCF).

Herr Schmidt also urges France to remove its exchange controls – a process Paris has already begun – and Italy to drop the wider fluctuation band it claims for the lira within the EMS.

The proposals come when the Bundesbank is relaxing its retrictive attitude to the Ecu, although it is not yet ready to go as far as Herr Schmidt suggests.

In Bonn the new Economics Minister, Herr Martin Bangemann, is a firm supporter of further EMS and Ecu development, but his Finance Ministry colleague, Herr Gerhard Stoltenberg, remains cautious.

Herr Schmidt is known to have circulated privately a more detailed version of his EMS ideas to leading European political and financial figures, to help stimulate a new debate on the issue.

Prentice Hall to fight G&W bid

By Terry Dodsworth in New York

PRENTICE-HALL, the U.S. publishing group, decided yesterday to fight the $693m bid for the company from Gulf & Western, amid continuing signs that Wall Street is expecting a higher offer to emerge.

Shortly after Prentice-Hall's announcement, its share price jumped by $1¼ to $73¾, an all-time high. The shares have been consistently strong this week, after soaring by $18¾ on Monday when the bid was unveiled.

Gulf & Western responded to the speculation with a statement that it would continue with its $70-a-share tender offer. "We think our offer is a thoroughly fair price, and we are proceeding with it," the company said.

Prentice-Hall's announcement, while describing the G&W bid as "inadequate," was clearly designed to leave the door open to a higher takeover offer. The board, it said, had instructed Dillon Read, the investment bank, "to explore alternative transactions to seek to maximise value to Prentice-Hall stockholders."

The publishing group accompanied its statement with a 2 cents increase in its quarterly dividend to 48 cents.

Gulf had sales of $286m in its publishing division last year against a total turnover of $4.2bn. Although Prentice-Hall's sales are much higher, at $448m, Gulf argues that the publishing group would fit into its own educational business, since Prentice-Hall has a strong position in college publishing against Gulf's activities in the primary and high school markets.

According to filings with the Securities and Exchange Commission, Gulf has been stalking its prey for some time. It first established contact with Prentice-Hall last summer, and has since approached Mr Richard Ettinger, a member of the founding family, with a separate offer for his stake of just over 12 per cent.

Insiders own almost 19 per cent of the company. Gulf said yesterday that it had so far not picked up any of these big blocks of shares.

Fall in dollar 'will not cause undue strains within EMS'

BY DAVID MARSH IN PARIS

M PIERRE BEREGOVOY, the French Finance Minister, said yesterday that he and his West German counterpart, Herr Gerhard Stoltenberg, had agreed that a prospective steady fall in the dollar would not cause undue strains in the European Monetary System.

Questioned on the possible effects on the franc from a sharp drop in the dollar against the D-Mark after the U.S. elections, M Bérégovoy said he and Herr Stoltenberg believed the dollar faced a "soft landing".

At a meeting between the two finance ministers in Bonn last week M Bérégovoy said the Germans had shown willingness to develop the Europeans currency unit's role "to strengthen our common resistance to brutal fluctuations of the dollar."

Beyond saying, however, that the French treasury had been asked to take further steps to "develop the use of the Ecu in France," M Bérégovoy gave no further details.

He confirmed that the Socialist government intended futher action to ease exchange controls, following preliminary moves decided in August. He was cautious about the timing, however.

During a question and answer session, M Bérégovoy, a close confidant of President François Mitterrand, declared that the fight against inflation remained the first priority.

He called for more efforts to boost French productivity, committed himself to progressive elimination of price controls, and made no direct mention of preoccupation over rising unemployment.

Commenting on this week's decision to lower the volume of subsidised loans to industry, he said that these had been multiplied fivefold – to FFr 50bn ($5.5bn) – since 1981 and were limiting possibilities for general cuts in interest rates.

Pointing out that the largely nationalised French banking system also was made up of co-operative private and foreign banks, he declared "we have enough instruments available to do without multiplying controls and harassments."

He called on the banks to take more risks in lending to industry. He also said that the new system of credit control to be introduced next year – to be based on obligatory reserves on bank loans rather than on credit ceilings – was an "intermediate" measure on the path towards allowing credit demand to be dictated solely by interest rates.

The only break in M Bérégovoy's paeon of economic neo-liberalism was an attack on M Jacques Chirac, the Guallist leader, and M Yvon Gattaz, head of the Patronat employers' association, for advocating denationalisation of the banks.

Jaguar unions call for return to work

BY ARTHUR SMITH IN BIRMINGHAM

UNION leaders at Jaguar, the British luxury car maker, will today recommend the 7,000 workers to end a week-long strike and accept an improved pay offer.

Mr John Egan, the chief executive, led the management team in 13 hours of continuous negotiations, which ended at 5am yesterday. Union negotiators seemed confident that the slightly improved two-year pay offer would ensure a decision to end the strike at today's mass meetings.

Jaguar was recently privatised from the state-owned BL group. At BL itself, its volume car subsidiary Austin Rover yesterday became more deeply embroiled in legal arguments as it tried to end a strike that began on Monday by its 28,000 workers.

The company failed in the High Court yesterday to win an injunction against the Amalgamated Union of Engineering Workers, but later issued a warning of "the serious consequences" for six other unions, unless they complied with High Court orders made earlier this week.

The company had applied to the court under the new Trade Union Act. The orders require the unions to call off their strike until secret ballots of the workforce are held.

Austin Rover is expected to wait until Monday before returning to the High Court to seek action against the six unions for contempt. Both sides are clearly aware of the damage such a legal confrontation could cause. A delay offers the possibility for a settlement.

The success of the engineering union in avoiding a High Court injunction puts increasing pressure on the Transport and General Workers' Union, which represents the majority of the workforce.

The union is bound by the decision of its delegate conference not to co-operate with the new legislation. Mr Moss Evans, the general secretary, refused to make any comment last night.

Mr Justice Stuart-Smith, after a four-hour private hearing of the injunction sought against the engineering union, found the law in Austin Rover's favour. He exercised his discretion, however, in not making the order because of the statements by Mr Terry Duffy, the union president, in repudiating the strike and declaring it unofficial.

The details of the Jaguar offer are that the company has brought forward £120 of the pay rise due in November next year to give a typical worker on £116 a week an immediate rise of £9.85.

Concessions have also been made in the scheme to give workers free allocations of shares

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	22	72	Dubrovnik	F	18	64	Malaga	R	17	63	Salzburg	Fg	5	41
Akrotiri	F	21	70	Faro	C	18	64	Malta	F	23	73	Seoul	S	18	64
Algiers	S	27	81	Florence	S	16	61	Manila	S	33	91	Singapore	F	32	90
Amsterdam	R	12	54	Frankfurt	C	9	48	Miami	C	25	77	Stockholm	C	7	45
Athens	S	22	72	Funchal	F	19	66	Milan	C	12	54	Strasbourg	C	8	46
Bahrain	S	31	88	Geneva	F	10	50	Moscow	C	1	34	Sydney	R	23	73
Bangkok	S	34	93	Gibraltar	-	—	—	Munich	S	9	48	Taipei	S	27	81
Barcelona	F	20	68	Guernsey	R	12	54	Nairobi	F	22	72	Tangier	R	16	61
Beirut	S	22	72	Helsinki	R	5	41	Naples	S	19	66	Tehran	-	—	—
Belgrade	S	18	64	H. Kong	S	26	79	New Delhi	S	27	81	Tel Aviv	S	24	75
Berlin	Fg	4	39	Innsbruck	F	13	55	New York	C	10	50	Tenerife	C	24	75
Biarritz	C	16	61	Inverness	C	9	48	Nice	C	19	66	Tokyo	S	21	70
Blackpool	R	11	52	Istanbul	F	17	63	Oporto	-	—	—	Toronto	C	8	46
Bordeaux	C	15	59	Jersey	C	13	55	Oslo	R	6	43	Tunis	-	—	—
Brussels	S	17	63	Jo'burg	S	25	77	Paris	F	18	64	Valencia	C	18	54
Budapest	S	12	54	Las Palmas	F	23	73	Prague	D	7	45	Venice	F	13	55
B. Aires	R	20	68	Lima	F	21	70	Reykjavik	S	1	34	Vienna	C	7	45
Cairo	C	27	81	Lisbon	D	13	55	Rio de J'o	F	32	90	Warsaw	F	6	43
Cape Town	-	—	—	Locarno	C	11	52	Rome	S	20	68	Zurich	S	11	52
Caracas	C	27	81	London	F	15	59								
Casablanca	R	14	57	Los Angeles	C	21	70								
Copenhagen	C	10	50	Luxembourg	C	11	52								
Corfu	S	21	70	Madrid	R	11	52								
Dublin	R	11	52	Majorca	S	23	73								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Court order may rekindle Laker row

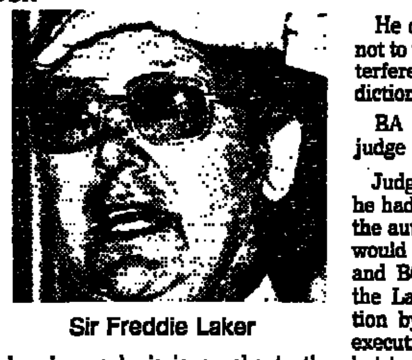
BY RAYMOND HUGHES IN LONDON

A U.S. judge handling the $1.1bn anti-trust damages claim by the liquidator of Laker Airways seems poised to precipitate a further row between the U.S. and the UK over the Laker affair.

Judge Harold Greene is considering making a permanent order that would have the effect of preventing British Airways and British Caledonian turning to the UK Government for help in the litigation they face in the Laker case.

Such an order would be regarded in Britain as interference with the sovereignty of parliament.

The judge will decide today after hearing submissions about the terms of a temporary injunction he granted on October 9.



Sir Freddie Laker

He ordered the UK airlines then not to take any step which would interfere with the U.S. court's jurisdiction in the Laker case.

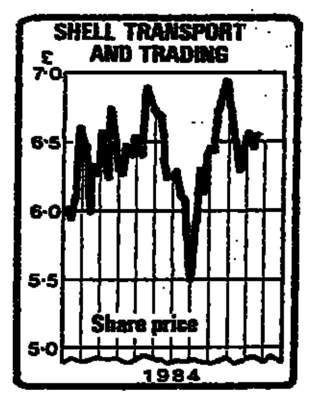
BA and BCal protested that the judge was exceeding his powers.

Judge Greene said that although he had not decided whether he had the authority to issue an order that would permanently preclude BA and BCal from "seeking to abort" the Laker lawsuit by securing action by "the British legislative or executive bodies," he had no choice but to make a preliminary order to that effect, to preserve the situation.

THE LEX COLUMN

Shell rides the dollar tide

Royal Dutch/Shell's quarterly results this year could almost be reduced to a series of variations on the strong dollar theme. Yesterday's third quarter net income of £978m was well in tune with this, benefiting from stock profits of £188m which show the City of London can still be sure of a surprise from Shell. The higher sterling value of crude has allowed the group outside North America to lift upstream earnings by 36 per cent in the face of a marginal drop in equity production – and it has enhanced the impressive growth in Shell Oil's dollar income from production.



Merely reciting the currency gains, though, amounts to faint praise for Shell. Much more telling has been the group's success at containing the damage wrought by the appreciating dollar on its downstream operations. Higher local currency costs have been eating into margins outside North America since the first quarter, cutting downstream earnings here – on a current cost basis – from £193m in March to £28m in the latest three months. But this compares favourably with the performance of Shell's competitors and points again to the quality of the group's cost controls. Even those, though, could do nothing about the curiously light traffic on U.S. roads last summer, which left gasoline demand unseasonably low.

Shell's shareholders can at least now hope the dollar might turn in their favour: any significant correction in the currency this month could still produce a sharp fourth-quarter rebound in non-American downstream earnings, where a £31m provision has actually led to a £3m third-quarter loss. There must be a chance, too, that the dogged consistency of Shell's earnings growth will attract more support for the shares, especially given the gathering U.S. interest which did much to revive them four months ago. But at 655p, up 8p, Shell is yielding a prospective 6½ per cent against BP's 8½ per cent; that could be a weighty differential if the whole oil sector should find itself under renewed pressure.

Gilt options

The City of London has been cranking itself up this week for the new-look gilts market: first the Bank of England discussion paper and now the planned introduction of gilt options on the stock exchange. Even Liffe is thinking of starting a contract on short gilts early next year. As more firms have to put their capital at risk in the new market, these hedging tools should prove increasingly popular. And the proliferation could even create additional demand as traders arbitrage the different instruments.

The design of the new stock exchange option has attracted some criticism. At a nominal £50,000, the premium could be anywhere between £500 and £2,500, which might strain the pockets of individual punters. And as it is based on a five-year bond, it will be less volatile and so less liquid than Liffe's 20-year contract.

The problem with designing an option based on a longer gilt is that the prices of those bonds are 'dirty' – that is, the price includes the accrued interest. This means that they fall sharply after the dividend is paid, which would create havoc in the options market. The obvious solution is to gear up a notch and introduce an option on Liffe's long-dated futures contract – the equivalent based on U.S. Treasury futures has been a great hit in Chicago. It will be interesting to see whether Liffe pips the stock exchange to the post on that one.

B&C

British & Commonwealth remains splendidly unclassifiable – not quite an investment trust, nor yet a venture capital house, and least of all a shipping company. As it happens, the group's half-way figures to end June are pretty hard to classify as well; but after stripping out disposal profits, underlying pretax of £38.7m is £9.8m ahead – though £6m of that represents the notional benefit of switching Exco from investment to associate status.

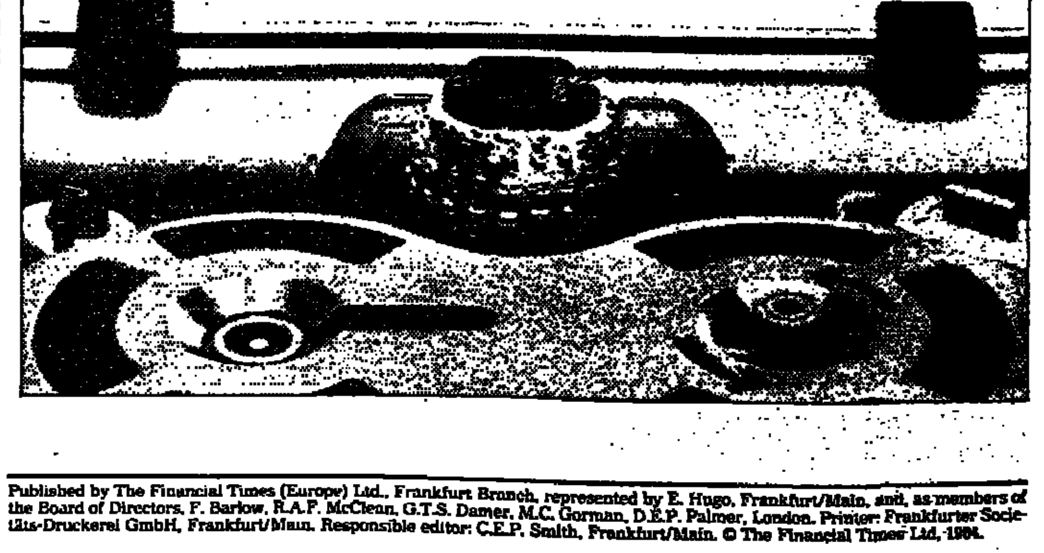
The two main planks of the business at present are the Bristow helicopter subsidiary and the Exco holding. But to interpret the group as moving from shipping through air transport into financial services would be to misread its essential chaotic charm. Rather than working off a master-plan, the aim is to grab any money-making proposition that happens to float past – a procedure which has served remarkably well in recent years.

For the full year, pre-tax should be around £60m net of disposals – which would put the shares at 213p (up 9) on a market multiple of around 11. Valuing the shares is characteristically tricky; but as the recent venture into forfaiting showed, links with Exco and Gartmore are providing the group with a widening ambit of opportunity.

Dunlop

What foreigners must think of the strange rituals of the British boardroom is hard to imagine. A week ago the Al-Fayed family walked into a row about Lonrho's presence at the boardroom table within hours of picking up a 29.9 per cent holding in House of Fraser. And yesterday the representatives of Pegi Malaysia watched from a safe distance as every one of their colleagues on the Dunlop board – executive and non-executive alike – submitted his resignation as a director.

The Dunlop story is too messy to offer any tidy moral. The management which resigned yesterday had few admirers outside the company, while the non-executives – all good men and true – appear to have taken a somewhat relaxed view of Dunlop's steady decline. Yesterday's mass exodus unhappy as it was, may well be a necessary condition of financial reconstruction. But it does seem odd, to say the least, that an executive of Sir Maurice Hodgson's stature should be brought in by the banks and then left with no option but to go less than a year later.



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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Friday November 9 1984

Kuwaitis pay $350m for Occidental operation

BY WILLIAM HALL IN NEW YORK

SANTA FE International, the U.S. energy group bought by the Kuwaitis in 1981, is paying $350m for Occidental Petroleum's geothermal operations in northern California, which began producing electricity earlier this year.

The project, which can supply electricity for a town of 80,000 people, is the first geothermal project in the U.S. in which the steam source developer uses its own steam to generate electricity.

The power is being sold to Pacific Gas and Electric, a Californian utility.

Occidental Geothermal, the company being acquired, owns an 80-Megawatt electricity generating plant and related geothermal steam reserves in The Geysers of northern California.

Santa Fe is also acquiring an interest in three other steam-producing ventures in The Geysers and various interests in undeveloped geothermal properties, principally in California, Idaho and Nevada.

Dr Armand Hammer, the chairman of Occidental, said that the sale would generate "a substantial gain" and was a further step in the company's programme of disposing of assets that were "not directly related to its core business" of oil and gas, coal, agri-business and chemical operations.

Occidental has been selling assets over the last few years to reduce its heavy debt burden acquired after the $4bn acquisition of Cities Service company. A recent major oil discovery in Colombia has increased its financial needs, and analysts have said that they expect further asset sales to bolster the group's financial position.

● McDermott International, the New Orleans-based energy services company, has reported a pre-tax loss of $13.1m for its second quarter ending September 30, compared with a $66.9m profit last year.

The slump in the group's profits reflects the serious problems which are continuing to be felt in the worldwide oil services industry. The company says that it does not see any "significant improvement" in any of its markets for at least the next several quarters.

After tax credits, net income for the second quarter totalled $2.1m, or 6 cents per share, compared with $62.4m, or $1.44 per fully diluted share, last year.

Mr J. E. Cunningham, McDermott's chairman, says that energy markets for the most part remain sluggish. "We have experienced a decline in the volume of work in many of our businesses, project delays, and, as a result, a low level of asset utilisation in some areas."

The group provides engineering and construction services for industrial and commercial facilities onshore, and for the oil and gas industry offshore.

European truck output slashed

By Kenneth Gooding in London

THE EUROPEAN heavy truck industry, which sustained losses totalling $500m last year, has to come to terms with lower demand levels and cut manufacturing capacity by about a third, Mr Michael Hammes, Ford of Europe's vice-president for truck operations, said yesterday.

He said that demand in Western Europe this year would not reach 250,000 trucks over 3.5 tonnes – the lowest in 25 years. In the 1970s demand averaged 342,000 a year.

Export shipments are also currently very depressed at around 120,000 a year and Ford estimates that 45 per cent of the industry's capacity is idle. The best indications are that free world truck manufacturing capacity is about twice current demand.

Ford forecasts that European demand for trucks into the 1990s will not rise much above 290,000 a year and that exports will remain static. Europe will therefore continue to have 35 to 40 per cent idle capacity even after some of the plant shutdowns that have already been announced.

The overcapacity had forced companies into severe price cutting to fill their plants, Mr Hammes said. "This is bleeding away funds urgently required to maintain product development and investment programmes."

The European industry was in danger of losing its technological lead over producers elsewhere in the world.

Mr Hammes, who was speaking in London at a conference organised by the DRI forecasting group, stressed that the capacity cuts he was advocating involved facilities, not people. "For most manufacturers, including Ford, the painful process of de-manning has already been accomplished."

He insisted that it was not only truck assembly capacity which must be reduced but also capacity for the manufacture of key components such as engines, transmissions and axles.

Renault and Norton to produce ceramic motors

BY PAUL BETTS IN PARIS

RENAULT, the French state-owned car group, is linking with Norton, the large U.S. industrial products concern, to form a joint venture in France to produce a new generation of ceramic engines for the car industry.

Aerospatiale, the French state aerospace group, will also be associated in the venture which will involve initial investments of about FFr 100m ($11.19m).

Renault and Aerospatiale are setting up a joint company which will own 50 per cent of the new operation. Renault said yesterday that the joint company with the French aerospace group will be open to other French companies interested in the project.

Norton will control 50 per cent of the venture. The U.S. group, based in Massachusetts, has annual sales of $1.5bn. It is seeking another partner to share its stake.

The French and U.S. partners are negotiating at present the acquisition of a ceramics research plant owned by the CGE electronics conglomerate at Tarbes, south-west France.

This plant will form the basis of the venture, to be called Ceratech, and will employ between 150 and 200 people.

The venture is the latest in a series of recent operations that Renault has undertaken with other industrial partners to increase its presence and expertise in what it regards as key high-technology sectors for the future of the car industry.

Aerospatiale is interested in the application of ceramics in the aerospace sector.

Among the high technology projects Renault has recently started are a venture with the U.S. Bendix group in car electronics and one with Stanley of Japan in liquid crystal technology for dashboard instruments.

Murdoch seeks expansion in U.S.

By John Davies in Frankfurt

MR RUPERT MURDOCH, the Australian-born newspaper owner, said yesterday that he was interested in expanding into book publishing in the U.S. if he could find "the right company at the right price."

He said he would also be looking for opportunities to build up his existing book publishing interests in the UK, as well as his magazine ventures in both countries.

Mr Murdoch's News Corporation group acquired a 42 per cent stake in William Collins, the UK publisher, in 1981. His interests also include Times Books of the UK, and Bay Books and Angus & Robertson, both Australian-based publishing concerns.

Speaking to investment analysts and journalists at a presentation arranged by Commerzbank in Frankfurt, Mr Murdoch said that some large U.S. publishing houses were changing hands at "enormous prices," which did not suit him, and referred to Gulf and Western's current $700m bid for Prentice-Hall.

Mr Murdoch said he believed that all his group's businesses would show strong expansion over the next two or three years. In magazine publishing, he saw prospects for new consumer and special-interest publications.

He said the programmes of Satellite Television, in which his group has a 70 per cent stake, were reaching 2.7m homes through cable TV in Europe and would reach over 4m by the end of next year. The operation would probably lose between £5m and £6m ($7.56m) this year, but would become profitable in the next 12 to 18 months.

Mr Murdoch voiced scepticism about cable TV, notably in the UK, partly because people could obtain cheap home entertainment with video cassette recorders.

Sulzer Brothers expects smaller loss for year

By John Wicks in Zurich

SULZER BROTHERS, the Swiss engineering group, expects a "considerably smaller loss" for the current year. In 1983 the group booked a consolidated loss of SwFr 102m ($42.6m) and the Winterthur-based parent company was forced to pass a dividend.

The past months have seen a marked improvement in the demand for capital goods, however. For the first three quarters of 1984 orders received were up by 31 per cent to SwFr 3.45bn, excluding a major contract for the Ataturk power station project in Turkey. New-order value was still 17 per cent higher than corresponding 1983 figures.

Group turnover in the first nine months was about the same as the January–September period last year.

Norcem forms joint venture with Comex

BY FAY GJESTER IN STAVANGER

NORCEM, the Norwegian cement and building materials group with expanding interests in the offshore sector, announced yesterday that it is to establish a joint venture company with Comex, the French underwater services contractor.

The new company, Norcem Comex Subsea, will have an initial share capital of NKr 10m ($1.17m), and be owned 55 per cent by a Norcem unit, Norcem Offshore, and 45 per cent by Comex Services. It is the latest of several enterprises formed recently in Norway to serve what is expected to be a fast-growing market for submarine construction, installation and maintenance on the Norwegian shelf.

For Norcem the venture marks another move to extend the group's involvement in offshore and gas activities. It follows closely on the acquisition of a controlling stake in the Trondheim-based ship and rig-owning company, Nordenfjeldske.

For Comex, which has been active in Norwegian waters for over 15 years, the partnership offers a chance to secure a reasonable share of Norwegian shelf contracts.

As Norway's three oil companies – Statoil, Norsk Hydro and Saga Petroleum – become responsible for a growing number of Norwegian field operator ships, contract awards are likely to show an increasing bias in favour of Norwegian-controlled contractors and suppliers.

The French group's Norwegian subsidiary, Comex Norge, will be absorbed by the joint venture.

Sika Finanz plans unchanged dividend after earnings rise

BY JOHN WICKS IN ZURICH

SIKA FINANZ, the Swiss building and chemicals group, lifted parent-company net profits for the year ended June 30 from SwFr 4.2m ($1.73m) to SwFr 5.1m.

During the calender year 1983 group turnover increased slightly from SwFr 596.4m to a consolidated SwFr 610.8m. Sika was, however, affected by sluggish construction activity in a number of countries as well as an unfavourable exchange-rate development.

Consolidated net earnings showed a small decline from SwFr 15.5m to SwFr 15.4m. Dr Romuald Burkard, chairman, said that this was considered to be only a temporary phenomenon. Group investments rose last year from SwFr 26.3m to SwFr 28m and cashflow from SwFr 35.6m to SwFr 36.8m.

The company is to propose unchanged dividends of SwFr 40 per bearer share and SwFr 20 per registered share at its November 22 shareholders' meeting.

● Holderbank, the Swiss cement-industry group, has acquired a controlling interest in Ciments d'Origny, France's fourth largest cement company.

This follows the purchase at an undisclosed price of part of the stake held by Origny Devroise, bringing the Swiss company's shareholding up from 44 to 62 per cent. The Origny Devroise stake has dropped simultaneously from 55 to 37 per cent, the remainder being held by a number of small investors.

● Switzerland's big banks have reduced from 4.75 to 4.5 per cent the interest on three to 12-month time deposits. This follows the decline in Euro-Swiss-franc rates, which in the past few days have fallen to under 5 per cent for all maturities.

The drop in time-deposit interest, which had been raised by 0.25 per cent as recently as mid-October, is a further sign of the overall downward trend in Swiss rates. A previous up-swing had culminated last month in increases in interest on time deposits and banks' over-the-counter medium-term bonds, as well as the unprecedented withdrawal of a federal bond issue from the capital market calendar.

● Swiss Bank Corporation of Basle has successfully placed 160,000 of its participation certificates in Japan. This transaction, the first of its kind by a Swiss bank, was managed by a group of Japanese securities firms led by Nomura Securities.

The non-voting bearer certificates, the issue of which had already been approved by shareholders, have a nominal value of SwFr 100 and were placed at a market price of SwFr 284.50 each.

This move follows the recent placement of Union Bank of Switzerland bearer shares with the international investment community through a London-based securities company.

The Basle bank's choice of Japan for its placement is linked to the considerable activities it has in that country. The bank said the offering was expressly intended to permit some degree of Japanese participation in equity ownership.

● Union Bank of Switzerland, the country's largest bank, has contributed a total of SwFr 537m to supporting ailing Swiss companies since the start of 1976.

The sum has accrued in the form of debt, interest and capital write-offs, as well as the conversion of debt into equity. Additionally, about SwFr 292m was involved in moratorium agreements as of September 30, 1984.

According to the bank, a total of 119 companies has benefited from this UBS aid, over three-quarters of which has gone to industrial firms. The reorganisation programme supported by the bank's contributions are said to have helped to save nearly 50,000 jobs in the Swiss economy.

Eastman Kodak 45% up in quarter

By Paul Taylor in New York

EASTMAN, KODAK, the world's largest photographic products group, reported a 45 per cent increase in third-quarter net earnings to $332.3m, or $2.05 a share, continuing an earnings recovery which began earlier this year.

The sharp earnings gain was despite the impact of the strong dollar on overseas sales and earnings. It partly reflected higher sales of Kodacolour disc film and lower silver and other raw material prices.

The quarterly results compare with net earnings of $229.1m, or $1.39 a share, in the 1983 period, on sales which increased by a modest 2 per cent to $3.15bn from $3.07bn. Earnings from operations in the third quarter increased by 30 per cent to $555.9m from $427.7m.

For the first nine months Kodak, which has been struggling to regain its earnings momentum against fierce competition, reported a 61 per cent increase in net earnings to $719.4m, or $4.39 a share, from $447.9m, or $2.71 a share, in the same period a year ago. Sales grew by 3 per cent to $7.85bn from $7.6bn. Earnings from operations increased by 56 per cent, to $1.237bn from $791.5m.

Mr Colby Chandler, chairman and chief executive, and Mr Kay Whitmore, president, said that Kodak sales and earnings, like those of all companies which operated internationally, were affected by the strength of the U.S. dollar relative to foreign currencies. Offsetting the negative effect were lower costs for silver and other materials and increases in unit volume.

Profits setback at MGM/UA

By Our Financial Staff

FOURTH-QUARTER net profit at MGM/UA Entertainment, one of the big U.S. film producers, slid from an already depressed $10.95m, or 21 cents a share, to $2.14m or 4 cents. That left the total for the year to August 31 down at $34.7m, or 69 cents, from a record $41.87m or 83 cents.

The previous year's full-time figures, however, included a $2.5m, or 5 cents a share, gain on a debt repurchase and a $10.5m, or 21 cents gain, on the sale of its music publishing division.

Turnover for the three months fell by $79.2m to $138.4m. That left the 12-month total down at $706.9m, against $723m a year ago.

NOTICE OF PREPAYMENT

THE MITSUBISHI BANK LIMITED

(Incorporated in Japan)

US$10,000,000
Callable Negotiable Floating Rate
Dollar Certificates of Deposit
No. FRGBK1 00001 to FRGBK1 00010
Issued on 9th December, 1982
Maturity Date 11th December, 1985
Optionally Callable in December, 1984

Notice is hereby given that in accordance with the Clause of the Certificates of Deposit (the "Certificates") The Mitsubishi Bank, Limited (the "Bank") will prepay all outstanding Certificates on 11th December, 1984 (the "Prepayment Date"), at their principal amount.

Payment of the principal amount, together with accrued interest to the Prepayment Date, will be made on the Prepayment Date against presentation and surrender of the Certificates at the London Branch of the Bank.

Interest will cease to accrue on the Certificates on the Prepayment Date.

The Mitsubishi Bank, Limited
London Branch
1 King Street, London EC2V 8LQ

9th November, 1984

NOTICE TO THE HOLDERS OF
TRANS-WESTERN EXPLORATION FINANCE N.V.
8¾% Convertible Subordinated Guaranteed Notes due April 1, 1986
(the "Notes")

NOTICE TO THE HOLDERS OF
TRANS-WESTERN EXPLORATION FINANCE N.V.
9% Convertible Subordinated Guaranteed Debentures due March 1, 1997
(the "Debentures")

Ladies and Gentlemen:

The purpose of this letter is to advise you that Trans-Western Exploration Finance N.V. (the "Company") defaulted in the payment of an instalment of interest due on the Debentures on September 1, 1984, and that such default has continued for a period of 30 days, and that the Company has defaulted in the payment of an instalment of interest due on the Notes on October 1, 1984, and that such default has continued for a period of 30 days. As Trustee under the Indenture with the Company and Trans-Western Exploration, Inc. (the "Guarantor"), dated as of April 2, 1981, for the Notes, and under the Indenture with the Company and the Guarantor, dated as of March 1, 1982, for the Debentures (collectively the "Indentures"), InterFirst Bank Dallas, N.A. (the "Trustee") is obligated to give you notice of such defaults.

According to Section 502 of each of the Indentures, the holders of 25% or more in principal amount of the Debentures or the Notes, as the case may be, outstanding may elect to accelerate payment of the outstanding principal on the Notes or the Debentures. If you either as Noteholder or as Debentureholder, as the case may be, elect to accelerate the principal payment on the Debentures or the Notes, you must send written notice thereof to the Company, the Guarantor, and the Trustee at their respective addresses listed below (the address of the Company has changed and is different from the address contained in the Notice published on October 17, 1984 in the Financial Times):

Trans-Western Exploration Finance N.V.
De Ruyterkade 62
Curacao, Netherlands Antilles

Trans-Western Exploration, Inc.
7610 Stemmons Freeway
Suite 300
Dallas, Texas 75247

InterFirst Bank Dallas, N.A.
Corporate Trust Department
617 InterFirst Two
Dallas, Texas 75270
Attention: Ms M. A. Allan

INTERFIRST BANK DALLAS, N.A.,
as Trustee

Dated: November 9, 1984.

U.S. $40,000,000

Christiania Bank og Kreditkasse

(Incorporated in the Kingdom of Norway with limited liability)

Floating Rate Subordinated Capital Notes Due 1991

In accordance with the provisions of the Notes, notice is hereby given that for the three month Interest Period from 9th November, 1984 to 11th February, 1985 the Notes will carry an Interest Rate of 9⅞% per annum. The interest amount payable on the relevant Interest Payment Date which will be 11th February, 1985 is U.S. $25.78 for each Note of U.S. $1,000.

Credit Suisse First Boston Limited
Agent Bank

U.S. $450,000,000

Queensland Coal Finance Limited

(Incorporated under the Laws of the State of Victoria)

Guaranteed Floating Rate Notes Due 1996

Unconditionally guaranteed as to payment of principal and interest by

The Bank of Tokyo, Ltd.

of which U.S. $355,000,000 is being issued as the Initial Tranche

In accordance with the provisions of the Notes, notice is hereby given that for the six month Interest Period from 9th November, 1984 to 9th May, 1985 the Notes will carry an Interest Rate of 10¼% per annum. The interest amount payable on the relevant Interest Payment Date which will be 9th May, 1985 is U.S. $505.92 for each Note of U.S. $10,000.

Credit Suisse First Boston Limited
Agent Bank

CNT

Caisse Nationale des Télécommunications

U.S.$250,000,000
Floating Rate Notes due 1991

For the six months
8th November, 1984 to 8th May, 1985
the Notes will carry an
interest rate of 10¼% per annum,
with a coupon amount of US$521.63.
Interest payable 8th May, 1985.

Bankers Trust Company, London

Notice to all Bondholders and all Warrantholders of
THE NOMURA SECURITIES CO., LTD.
US$100,000,000 6¾ per cent Bonds
due 1988 with Warrants

The Toyo Trust and Banking Company, Limited, London Branch, as Principal Paying Agent in respect of above Bonds, hereby give notice that effective 6 August 1984 the name and address of *Fuji International Finance (Luxembourg) S.A., Luxembourg (Paying and Warrant Agent)* changed to Fuji Bank (Luxembourg) S.A., 16 Boulevard Royal, L-2449, Luxembourg.

THE TOYO TRUST AND BANKING COMPANY, LIMITED
London Branch

Dated 9 November, 1984

CA VEN DES

U.S.$20,000,000
Bearer Depositary Receipts
representing undivided interests in a
Floating Rate Deposit finally due 1986
with
C.A. Cavendes
Sociedad Financiera
(Incorporated with limited liability in the Republic of Venezuela)
evidenced by consecutive three month Certificates of Deposit

Notice is hereby given pursuant to the Terms and Conditions of the Bearer Depositary Receipts (the "BDRs") that for the three months from 9th November, 1984 to 11th February, 1985 the BDRs will carry an interest rate of 10¼% per annum. On 11th February, 1985 interest of U.S.$26.44 will be due per U.S.$1,000 BDR and U.S.$264.38 due per U.S.$10,000 BDR for Coupon No. 22.

European Banking Company Limited
(Agent Bank)

9th November, 1984

The Republic of Italy

U.S.$ 1,000,000,000

Floating Rate Notes due 1994

In accordance with the provisions of the Notes, notice is hereby given that for the initial Interest Period from 9 November, 1984 to 9 May, 1985 the Notes will carry an interest rate of 9¹⁵⁄₁₆% per annum. The interest payable on the relevant interest payment date, 9 May, 1985 will be US$499.64 per US$10,000 coupon and US$10,000.00 nominal amount in registered form, US$2498.18 per US$50,000 coupon, and US$12490.89 per US$250,000 coupon.

9 November, 1984.
THE CHASE MANHATTAN BANK, N.A.
LONDON, AGENT BANK

CHASE

U.S. $40,000,000

Genossenschaftliche Zentralbank Aktiengesellschaft
Vienna

Floating Rate Notes Due 1989

In accordance with the provisions of the Notes, notice is hereby given that for the three month Interest Period from 9th November, 1984 to 11th February, 1985 the Notes will carry an Interest Rate of 9¾% per annum. The interest amount payable on the relevant Interest Payment Date which will be 11th February, 1985 is U.S. $25.62 for each Note of U.S. $1,000.

Credit Suisse First Boston Limited
Agent Bank

U.S. $20,000,000

DnC

Den norske Creditbank

Floating Rate Subordinated Capital Notes Due 1990

In accordance with the provisions of the Notes, notice is hereby given that for the three month Interest Period from 9th November, 1984 to 11th February 1985 the Notes will carry an Interest Rate of 9⅞% per annum. The interest amount payable on the relevant Interest Payment Date which will be 11th February 1985 is U.S. $25.78 for each Note of U.S. $1,000.

Credit Suisse First Boston Limited
Agent Bank

NORDIC INTERNATIONAL FINANCE B.V.
U.S.$40,000,000
Guaranteed Floating Rate Notes 1991
Guaranteed on a subordinated basis as to payment of principal and interest by

NORDIC BANK PLC

For the six months
9th November, 1984 to 9th May, 1985
the Notes will carry an interest rate of
10⅛% per annum with a Coupon Amount
of U.S.$252.96 per U.S.$5,000 Note, payable on
9th May, 1985

Bankers Trust Company, London
Principal Paying Agent

PAN-HOLDING
SOCIETE ANONYME
LUXEMBOURG

As of October 31, 1984, the unconsolidated net asset value was U.S.Dlrs. 120,758,143.70, i.e. U.S.Dlrs. 219.03 per share of U.S.Dlrs. 50 par value. The consolidated net asset value per share amounted as of October 31, 1984, to U.S.Dlrs. 223.41.

Brasilvest S.A.
Net asset value as of
31st October, 1984
per Cr$ Share: 2,086,403
per Depositary Share:
U.S.$7,343.69
per Depositary Share:
(Second Series)
U.S.$6,896.17
per Depositary Share:
(Third Series)
U.S.$5,868.73
per Depositary Share:
(Fourth Series)
U.S.$5,482.64

INTL. COMPANIES & FINANCE

Pharmacia profit strongly ahead after nine months

BY DAVID BROWN IN STOCKHOLM

PHARMACIA, the Swedish pharmaceuticals and biotechnology group, reports continued strong growth in profits for the first nine months of 1984. Earnings after net financial costs climbed by 33 per cent to SKr 439m ($52m).

Sales and licensing income advanced 21 per cent to SKr 2.08bn. Production costs fell by 9 per cent, but marketing and research expenses rose at a faster pace than sales. Operating results after depreciation were 26 per cent cent higher at SKr 397m.

On a rolling 12-month basis, pre-tax results were ahead by 40 per cent to SKr 616.7m. Mr Erik Danielsson, the new managing director, reiterated an earlier forecast that earnings after financial items would climb by between 20 and 25 per cent for 1984 from the SKr 514m achieved in 1983.

Pharmaceuticals and diagnostics, the largest division in terms of sales, saw turnover climb 24 per cent to SKr 1.9bn. The biotechnology unit reports a 21 per cent rise to SKr 467m, helped by the success of its Healon eye surgery aid and new infusion products.

Capital spending on plant and equipment climbed from SKr 199m to SKr 279m. Liquid assets rose from SKr 838m to SKr 1bn. A near doubling of net financial items to SKr 42m in the nine months has been a major spur to profits so far this year.

Pharmacia has formed a development company in the U.S. to increase its engagement in small high technology ventures in pharmaceuticals, diagnostics and biotechnology.

BMW forecasts higher sales

BY JOHN DAVIES IN FRANKFURT

BMW, the West German car and motorcycle maker, expects to lift production, deliveries and sales to record levels this year, despite the metalworkers' strike in May and June.

The group's sales reached DM 11.9bn ($4.06bn) in the first nine months of this year, up 18 per cent on the same period last year.

Although assembly operations were crippled for seven weeks by the metalworkers' strike, BMW increased car production by 5.6 per cent to 312,000 in the nine months. Deliveries to customers from production and stocks was up 5.8 per cent to 316,800.

The company lost production of more than 60,000 cars when its assembly lines were halted, along with those of virtually all the West German motor vehicle industry. But by working through the normal holiday period in August, it managed to make good about half of the lost output.

BMW said it would not be able to attain the targets it had set before the strike disrupted production. But even so the result should be satisfactory.

Last year BMW boosted sales by 20.7 per cent to DM 14bn and paid an increased dividend of DM 11 a share plus a DM 1 bonus from profits of DM 288m.

BMW said car exports to the U.S. had been strong and were up as much as 16 per cent to 50,000 in the nine months. Altogether, BMW sold 159,400 cars abroad, an increase of 5.9 per cent.

Krupp and Klöckner talks on closures

BY PETER BRUCE IN BONN

KRUPP and Klockner Werke have begun talks with union representatives on plant closures the two companies intend to carry out when their steel businesses merge next year.

The restructuring plans are understood to include the closure of a hot strip mill at Krupp Stahl's subsidiary, Theodore Wuppermann, in Leverkusen, and a cold strip mill at Maxhutte, Klockner's Bavarian subsidiary.

These closures should account for some 1,700 of the 3,000 jobs the merged group plans to cut. A further 1,600 jobs are likely to go at Georgsmarienhutte, another Klockner subsidiary, although 300 people there would be relocated.

With the losses at Georgsmarienhutte and some 700 at Maxhutte, Klockner appears to be taking the brunt of the proposed job and capacity cuts. There have already been angry demonstrations by anxious workers at the two Klockner works since the merger was announced last month.

Stahlwerke Krupp-Klockner (SKK), as the new group will be known, is a planned joint venture (largely an effort by the two groups to distance themselves from their troublesome steel operations) which includes CRA, the Australian mining house, and which will create the second largest private sector steel producer in Europe.

It is understood the measures put to union representatives on the supervisory boards of both groups yesterday will cost around DM 700m ($239m).

● Arbed Saarstahl, Germany's chronically troubled steel producer, reports a 12 per cent rise in turnover for the first six months of 1983.

Siemens plant for Berlin

BY LESLIE COLITT IN BERLIN

WEST BERLIN'S dream to become a high-technology centre received a shot in the arm from Siemens, the big German electrical group, which said it will build a DM 230m ($78.5m) plant in the city to produce components for optical fibre technology.

Although Siemens was founded in Berlin and is its largest single employer, it has lowered its profile in the city in recent years. The announcement of the new plant came a day after Nixdorf, the computer group, unveiled plans for a new DM 300m computer components plant in West Berlin.

In addition, to the direct plant investment, Siemens said it would spend a further DM 200m for research and development of optical fibre technology.

Australian unit for BBL

By Our Financial Staff

BANQUE Bruxelles Lambert, the Belgian financial group, plans to form an affiliate in Australia in association with Yuills, an Australian industrial company. The affiliate, BBL Australia, will start business in the spring of 1985. It will have a capital of A$20m (U.S.$17.4m).

BBL Australia's main activities will be in corporate banking and transactions in Australian dollars.

Swiss Re plans expansion

BY JOHN WICKS IN ZURICH

SWISS REINSURANCE, which accounts for 6 per cent of total world reinsurance premiums, plans to expand its operations in direct insurance.

The company is looking at a number of new markets, particularly in the U.S. Any future acquisition is likely to be medium-sized, probably a regional insurer engaged in special business segments.

Last year, more than one-third of the group's SwFr 10.15bn ($4.21bn) gross premiums were accounted for by direct-insurance business.

The group is also taking steps to reduce its substantial underwriting losses on non-life reinsurance. These rose from SwFr 368m to SwFr 380m last year and were only partially offset by underwriting profits in life reinsurance and from direct non-life and life insurance.

The rise in earnings from SwFr 97m to SwFr 105m in 1983 was again due largely to increased investment income, which went up from SwFr 788m to SwFr 859m. The dividend *is going up from SwFr 105 to* SwFr 110 a share.

Mr Abdulaziz Abdulrazzak Al Jassar

On July 27 1982, it was reported in The Financial Times that Mr Abdul Aziz Al Jassar, general manager of the Burgan Bank in Kuwait, owned a company in Kuwait jointly with Mr Abdullah Saleh Al-Rajhi. That information was wrong and was corrected on August 4 1982, in a report of statements made by the Al Jassar family. Mr Abdul Aziz Al Jassar and the Burgan Bank. Mr Abdul Aziz Al Jassar had never had any dealings with Mr Al-Rajhi.

The Financial Times takes this opportunity of offering Mr Abdulaziz Abdulrazzak Al Jassar sincere apologies for the embarrassment caused by the erroneous report both personally and in his capacity as general manager of the Burgan Bank.

FT 500

Finnish groups among top performers

By Stefan Wagstyl

FINNISH COMPANIES are among the top performers in the 1984 Financial Times survey of the leading 500 European companies.

For the third year running, the FT is publishing lists of the top 500 companies in Europe and in the UK, ranked by market capitalisation taken as an average for June. The survey appears in the international edition today and the UK edition tomorrow.

There are 12 Finnish companies in the European list this year, against seven in 1983. Buoyed by a bourse which rose 47 per cent and a currency which appreciated against most European rivals, companies from Finland moved rapidly up the rankings.

The highest placed were the two leading Finnish banks—Kansallis Osake Pankki, up 160 to 161, and the Union Bank of Finland, up 106 to 181.

Among larger bourses, taking L'Oreal the health Paris made the greatest gains and cosmetics group, the BSN food group and Pernod Ricard into the FT 500.

Large recoveries in company profits both in Continental Europe and in the UK boosted the performance of the stock markets. The survey shows that the biggest pre-tax profit increases in Europe were recorded by Boliden, the Swedish industrial and natural resources group, up 1,712 per cent to U.S.$50.3m, and in the UK by printer and maker of the board game Monopoly, John Waddington, up 980 per cent to £3.4m.

The lists shed light on the relative performance of different industries. In the UK big electrical stocks, like Plessey and Racal have slipped down the list, while smaller high-technology companies have moved up strongly, notably Computer Systems and Engineering.

Building and construction companies have generally slipped down the UK rankings as exaggerated hopes of a boom in the industry evaporated.

In the European lists there is evidence of the recovery in heavy industry, for example the upward move of Hoogovens, the Dutch steelmaker.

Insurance companies have gained from the Failed bid of the German group, Allianz Versicherung for the British company Eagle Star.

Base Rate Change

BANK OF BARODA

Bank of Baroda announce that, for balances in their books on and after 9th November, 1984 and until further notice their Base Rate for lending is 10% per annum. The deposit rate on all monies subject to seven days' notice of withdrawal is 6½% per annum.

NOTICE OF PREPAYMENT

THE MITSUBISHI BANK LIMITED

(Incorporated in Japan)

US$10,000,000
Callable Negotiable Floating Rate
Dollar Certificates of Deposit
No. FRML2 00001 to FRML2 00010
Issued on 8th December, 1982
Maturity Date 11th December, 1985
Optionally Callable in December, 1984

Notice is hereby given that in accordance with the Clause of the Certificates of Deposit (the "Certificates") The Mitsubishi Bank, Limited (the "Bank") will prepay all outstanding Certificates on 10th December, 1984 (the "Prepayment Date"), at their principal amount.

Payment of the principal amount, together with accrued interest to the Prepayment Date, will be made on the Prepayment Date against presentation and surrender of the Certificates at the London Branch of the Bank.

Interest will cease to accrue on the Certificates on the Prepayment Date.

The Mitsubishi Bank, Limited
London Branch
1, King Street, London EC2V 8LQ

9th November, 1984

November 9th, 1984

FS

Azienda Autonoma delle
Ferrovie dello Stato
SDR 80,000,000
Floating Rate Notes due 1985
by virtue of existing Legislation
Direct and Unconditional General Obligations of
The Republic of Italy

In accordance with the terms and conditions of the Debentures, notice is hereby given that for the Interest Period commencing on November 13th, 1984 the Debentures will bear interest at the rate of 9¼% per annum. The interest payable on the relevant Interest Payment Date, May 13th, 1985 against Coupon No. 7 will be SDR 4,650.694.

The US$/SDR rate which will determine the US$ amount payable in respect of Coupon No. 7 will be fixed together with the Interest Rate for the period commencing May 13th, 1985, on May 9th, 1985.

Fiscal Agent
ORION ROYAL BANK LIMITED
A member of The Royal Bank of Canada Group

INTL. COMPANIES & FINANCE

Ford cuts stake in Malaysian subsidiary

By Wong Sulong in Kuala Lumpur

THE FORD Motor Company of the U.S. has reduced its stake in Ford Malaysia from 51 per cent to 30 per cent to comply with government economic policy.

The stake was sold to Pernas Sime Darby, its partner, for an undisclosed amount. PSD holds 70 per cent of Ford Malaysia, which is involved in the assembly and distribution of Ford vehicles, as well as the assembly of Mercedes Benz and Land Rover vehicles for other distributors.

Mr A. M. Lowe, managing director of Ford Malaysia, said the equity restructuring was part of the requirement imposed by the Malaysian government when Ford and PSD teamed up to assemble for vehicles in 1981.

For this year, Ford Malaysia was expected to sell 12,500 vehicles, 5,000 of which would be light trucks, a sector in which Ford is the market leader.

PSD is 49 per cent owned by Sime Darby and 51 per cent by Pernas, a government investment and trading agency. PSD also owns IT International, a tyre plant,

Bremridge rejects tax law pleas by HK businesses

BY DAVID DODWELL IN HONG KONG

INVESTMENT FUNDS amounting to at least HK$10bn (U.S.$1.3bn) have deserted Hong Kong in recent months on the advice of leading local legal and accounting firms which fear new tax laws will bring an end to tax exemption, Hong Kong's General Chamber of Commerce claimed this week.

The new laws, enacted in June though clarified only in September, call into question Hong Kong's status as an international financial centre, and are likely to damage "an important part of the financial services business," the chamber says.

Sir John Bremridge, Hong Kong's financial secretary, said yesterday that the Government would look into any genuine complaints, but categorically refused to take heed of special pleading from tax avoiders.

"Hong Kong is not a tax haven, nor do we intend to make special arrangements for those who seek to avoid reasonable taxes," he said. The Hong Kong Government is hard pressed to find sufficient funds, and Sir John was emphatic that ordinary taxpayers should not have to pay more "simply because they cannot afford tax avoidance advice."

International banks based in Hong Kong have since 1978 paid tax on locally generated income. On this basis, the financial secretary throws scorn on claims that the territory's future as an international financial centre is in jeopardy.

"There is no obvious sign of finance business leaving the market—in fact the contrary is the case," he said.

The controversy arises over tax laws introduced in the financial secretary's budget last spring and intended to close a loophole whereby Hong Kong resident companies, or companies with significant resident operations, avoided local taxes by parking income in untaxable offshore managed funds.

When the new laws were clarified in an interpretation and practice note published by Hong Kong's Inland Revenue department late in September, tax managers realised that non-resident companies using Hong Kong as an offshore centre for investment of funds would also be subject to tax on the interest they earned.

This means Hong Kong no longer levies tax on the basis of where income is earned, but on the basis of where the taxpayer—or his proxy in the form of a fund manager—lives, say the tax managers.

Mr Jimmy McGregor, director of the Chamber of Commerce tax committee, recently wrote to selected members claiming the new laws represented "a fundamental departure from the source principle of taxation," and threatened the continued existence of "a substantial part of Hong Kong's financial centre business."

Mr Victor Ladd, commissioner for the Inland Revenue, explained that Hong Kong remained a "source jurisdiction" for tax purposes: "It is the activity conducted here that determines liability for tax," he said. The taxman would apply an "operations test" to decide where profits arose, and if they arose in Hong Kong, they would be subject to local tax.

The Chamber of Commerce this week put the issue before the tax committee of the legislative council, Hong Kong's nearest equivalent to the House of Commons. If the tax committee feels there is a need to revise the new laws, then it is likely to make recommendations to the financial secretary by the spring of next year.

National Australia Bank lifts profit 41%

By Michael Thompson-Noel in Sydney

NATIONAL Australia Bank, one of the country's four private trading banks, has reported a 41.5 per cent increase in net profit for the year to September 30, from A$160.9m to A$227.8m (U.S.$196m), and is boosting its annual dividend from 23 cents a share to 25 cents a share.

This is a record profit for an Australian bank, though the other two big private sector banks, Westpac Banking Corporation and New Zealand Banking Group, will eclipse it when they report shortly.

Westpac is expected to report a net profit of around A$310m for the year to September 30, and ANZ one of around A$270m.

Australia's Labor Government is to award several new banking licences soon, and may countenance some 100 per cent foreign-owned operations.

National Australia Bank said its 1981 merger with the Commercial Banking Corporation of Sydney was bearing fruit earlier than expected. In addition, its savings bank deposits rose by A$600m during 1983-84.

Its trading bank operation, whose profits contribution rose from A$93.4m to A$148.6m, was boosted by a less costly deposit structure and higher lending.

Earnings at National in the *year to September 30 were 70.1* cents a share, against 62.4 cents a share previously.

The bank said it expected reasonable profits growth in 1984-85.

● Santos one of Australia's leading oil and gas explorers and producers, expects to spend about A$140m (U.S.$120m) on exploration and development work next year.

Using a new gas injection process, it hopes to boost recoverable oil reserves in Australia's Cooper Basin adding an estimated A$680m to their value. The company's total current oil reserves are 37m barrels. Spending on the Cooper Basin oil and gas fields by Santos and its partners is expected to taper from A$300m this year to about A$200m in 1985.

Meanwhile, Santos has increased its takeover offer for Alliance Oil Development, another Australian oil and gas producer, to A$1.05 a share from 90 cents.

JAPANESE RESULTS

ALPS ELECTRIC
Components, switches

Six months to	Sept '84 Y	Sept '83 Y
Revenues (bn)	158.6	126.3
Pre-tax profits (bn)	13.2	10.8
Net profits (bn)	6.7	5.2
Net per share	44.6	34.5
Dividend	6.75	6.25

PARENT COMPANY

ASAHI CHEMICAL
Petrochemicals, fibres

Six months to	Sept '84 Y	Sept '83 Y
Revenues (bn)	378.3	343.6
Pre-tax profits (bn)	17.5	11.1
Net profits (bn)	6.8	5.3
Net per share	8.03	4.98
Dividend	3	3

PARENT COMPANY

FUJISAWA PHARMACEUTICAL

Six months to	Sept '84 Y	Sept '83 Y
Revenues (bn)	103	106
Pre-tax profits (bn)	10.3	15.7
Net profits (bn)	4.1	6.9
Dividend	3.75	3.75

PARENT COMPANY

FURUKAWA ELECTRIC
Non-ferrous cables

Six months to	Sept '84 Y	Sept '83 Y
Revenues (bn)	229.4	207.1
Pre-tax profits (bn)	2.6	2.6
Net profits (bn)	2.1	2
Dividend	3	3

PARENT COMPANY

MITSUBISHI OIL
Refiner

Six months to	Sept '84 Y	Sept '83 Y
Revenues (bn)	560.7	580.6
Pre-tax profits (bn)	1.1	†8.1
Net profits (bn)	0.75	†11.6
Dividend	—	—

PAREN COMPANY
† Loss

MITSUI ENGINEERING AND SHIPBLDG.

Six months to	Sept '84 Y	Sept '83 Y
Revenues (bn)	125.5	131.2
Pre-tax profits (bn)	2.2	2.5
Net profits (bn)	2.7	1.4
Dividend	2.5	2.5

PARENT COMPANY

MITSUI MINING AND SMELTING
Noon-ferrous metals

Six months to	Sept '84 Y	Sept '83 Y
Revenues (bn)	140.8	137.5
Pre-tax profits (bn)	3.6	†1.5
Net profits (bn)	2.6	†2.0
Dividend	—	—

PARENT COMPANY
† Loss

MITSUI PETROCHEMICAL

Six months to	Sept '84 Y	Sept '83 Y
Revenues (bn)	148.9	141.0
Pre-tax profits (bn)	5.8	†1.1
Net profits (bn)	3	†1.3
Net per share	13.78	—

PARENT COMPANY

MURATA MANUFACTURING
Ceramic components

Six months to	Sept '84 Y	Sept '83 Y
Revenues (bn)	80.2	53 3
Pre-tax profits (bn)	11	5.8
Net profits (bn)	4.8	2.5
Dividend	6.5	6.5

PARENT COMPANY

NIIGATA ENGINEERING
Diesel engines, machinery

Six months to	Sept '84 Y	Sept '83 Y
Revenues (bn)	70.2	73.7
Pre-tax loss (bn)	0.29	2.45
Net profits (m)	10	299
Dividend	—	—

PARENT COMPANY

NIPPON EXPRESS
Transport services, parcels

Six months to	Sept '84 Y	Sept '83 Y
Revenues (bn)	404.7	379.3
Pre-tax profits (bn)	7.9	7.1
Net profits (bn)	3.4	3.4
Dividend	2.5	2.5

PARENT COMPANY

NIPPON MINING
Non-ferrous metals, oil

Six months to	Sept '84 Y	Sept '83 Y
Revenues (bn)	556	548
Pre-tax profits (bn)	3.6	†2.6
Net profits (bn)	4.9	†2.5

PARENT COMPANY
† Loss

SEKISUI CHEMICAL
Synthetic resins

Six months to	Sept '84 Y	Sept '83 Y
Revenues (bn)	168.5	155.9
Pre-tax profits (bn)	3.8	2.4
Net profits (bn)	2	1.5
Dividend	2.5	2.5

PARENT COMPANY

SHIONOGI
Pharmaceuticals

Six months to	Sept '84 Y	Sept '83 Y
Revenues (bn)	93.4	92.0
Pre-tax profits (bn)	12.7	15.3
Net profits (bn)	4.6	6.1
Dividend	3.75	3.75

PARENT COMPANY

SUMITOMO ELECTRIC INDUSTRIES
Cables, optical fibres

Six months to	Sept '84 Y	Sept '83 Y
Revenues (bn)	244.5	212.5
Pre-tax profits (bn)	9.4	6.1
Net profits (bn)	5	3.6
Net per share	8.07	5.97
Dividend	3	3

PARENT COMPANY

TOYODA MACHINE WORKS
Machine tools

Six months to	Sept '84 Y	Sept '83 Y
Revenues (bn)	47.4	43.5
Pre-tax profits (bn)	3.3	1.4
Net profits (bn)	1.4	0.6
Net per share	18.22	7.99
Dividend	5.50	5.50

PARENT COMPANY

APPOINTMENTS

Chief designated for BCL

BCL (formerly British Cellophane), a Courtaulds Group company, has made board appointments in anticipation of the retirement early next year of its chief executive, Mr Ray Ashworth, and personnel director, Mr R. W. Millard. Mr David M. Goode has been appointed chief executive designate. He has been the head of BCL's Films operations for the past five years. Prior to that he was managing director of Colodense. New BCL board members are: Mr Geoff W. Longney, managing director of BCL's southern convertor group, which has converting companies in Australia, New Zealand, Papua New Guinea, South Africa and Zimbabwe; Mr Brian R. Toomey, recently managing director of the International Paint operation in India who will take over as personnel director; Mr David H. Tracey, general manager of the Cellophane operations in the UK and Canada; and Mr Ken Wade, head of group research and development.

★

CONCENTRIC has made the following appointments to the boards of directors of subsidiary companies: Novar Computing—Mr D. A. Hall (managing director); Delta Controls—Mr J. D. Place (director and development department head); Concentric Controls — Mr E. A. Smith (director and works manager); Concentric Pumps—Mr V. R. M. Wicks (director and finanial controller).

★

The following board and senior management changes are being made by NATIONAL PROVIDENT INSTITUTION on December 31. Mr J. A. Metcalfe, who has been a director since 1959, retires from the board. Mr M. T. Maurice retires as a deputy general manager but remains a director. Mr C. A. Gates, deputy actuary, is appointed a deputy general manager. He remains a director.

★

Mr Frank Jeffrey Elder has been appointed group managing director of THE BRUNNING GROUP. He joins from United Biscuits where, for the past six years, he was managing director of its Spanish subsidiary.

★

Mr C. B. Cotton has relinquished his position as chairman of BURGESS PRODUCTS (HOLDINGS) but will remain a non-executive director and becomes president in succession to his father. Mr A. L. R. Morton becomes chairman.

★

WILLIAMS LEA & CO., has appointed Mr Raymond Peyton an associate director. He was previously a sales manager.

★

BROWN SHIPLEY & CO. has formed Brown Shipley Investment Management to act as the holding company for Brown Shipley Asset Management and Brown Shipley Fund Management and any further investment management companies. The following have been appointed to the board of Brown Shipley Investment Management: Mr R. M. Mansell-Jones (chairman); Mr C. G. L. Croft (managing director); Mr T. M. Trowell; and Mr P. D. Talbot. Mr Croft has been appointed chairman of Brown Shipley Asset Management, and Brown Shipley Fund Management. Mr C. G. Bomford and Mr P. F. Burrows have been appointed directors of Brown Shipley Asset Management.

★

DATAMAIL, a direct mail and marketing organisation which *recently changed ownership*, has appointed a new board. Mr Peter J. Jewiss becomes chairman, while Ms Mabel de la Motte remains managing director. Mr Mark Sheard has been appointed planning and marketing director, and Mr John Stadden is made a non-executive director.

★

Mr Mike Clarke, works director, has been appointed managing director of PEREX, part of the Reading-based Sintrom Group. He succeeds Mr Tom Dalzell, founder of the Sintrom Group, who continues as chairman.

★

The ASSOCIATION OF CORPORATE TREASURERS has elected the following to serve from January 1: President—Mr John Charles Bracher, deputy chairman and finance director, Dowty Group; vice-presidents—Mr Brian Addison Carte, senior director, County Bank, and Mr Gerald Whieldon Leahy, senior vice president, Bank Julius Baer; chairman—Mr Daniel Houghton Hodson, finance director, Unigate; vice-chairman—Mr John Vernon Harry Robins, director of finance and management services, Willis Faber.

★

IMMEDIATE BUSINESS SYSTEMS has appointed Mr Graham Wylie as managing director. Mr Alan Senior, sales and marketing manager, joins the board. Mr Alan Adler, former partner of McKinsey and Co., has been invited to join the board as a non-executive director.

★

The capital markets group of FIRST CHICAGO, wholly-owned merchant banking subsidiary of The First National Bank of Chicago, has appointed Mr George Kanaan as executive director, responsible for Middle East and Africa. He was head of merchant banking operations for the Saudi-American Bank in Riyadh. Mr Wolfgang Sietz has been appointed executive director, responsible for Germany, Austria, Switzerland, Scandinavia and East Europe. He was managing director of NICA UK, a private investment company for Asia.

★

Following a group reorganisation Mr Nick Light has been appointed managing director of LESSER BUILDING SYSTEMS. He joined the group in 1974.

UK COMPANY NEWS

R. Dutch/Shell unruffled by downstream loss

THIRD QUARTER net income of Royal Dutch/Shell Group, Europe's largest company surged from £645m to £978m, leaving the nine months total for 1984 nearly £1bn ahead at £2.74bn.

Shell's downstream operations outside North America, however, recorded a £3m third quarter loss—reflecting difficult trading conditions in gasoline markets and the £31m cost of closing the company's Teesport refinery in the UK.

On an estimated current cost of supplies basis, third quarter earnings indicated a lower increase from £678m to £790m.

The reported result for the third quarter was attained with higher natural gas sales in the oil and gas segment and better results from chemicals. In addition, the weakness of sterling against all major currencies substantially increased group results when aggregated in sterling.

Reported manufacturing, marine and marketing results for the group were virtually unchanged but earnings on an estimated current cost of supplies basis were significantly lower. This demonstrated the continued widespread difficulty of recovering, in local currency proceeds, supply costs inflated by the strengthening U.S. dollar.

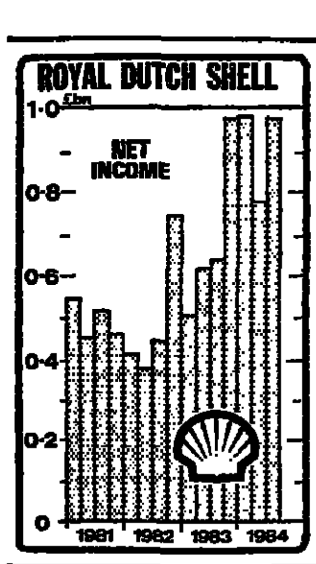
Shell Oil's dollar net income for the third quarter was virtually unchanged benefits resulting from increased production of crude oil and natural gas, higher natural gas prices and increased chemicals earnings were offset by lower selling prices for refined products.

However, its contribution to group sterling net income increased by £118m to £324m. Some £86m of the rise was attributable to the higher Group shareholding (94.6 per cent at the end of September 1984 against 69.4 per cent a year ago). The remainder stemmed from the lower average sterling/U.S. dollar exchange rate.

The acquisition cost of additional shares in Shell Oil, incurred entirely in the second quarter, amounted to £3.23bn. Capital expenditure and exploration expense for the year to date of £3.78bn was 12 per cent higher than in the comparative period, with a 24 per cent increase in the exploration and production sector mainly on oil and gas leases by Shell Oil—offset by lower manufacturing, chemicals and metals expenditure. Higher expenditure by Shell Oil in the U.S. exceeded declines in other areas.

Group funds generated for the first nine months of 1984 amounted to £6.16bn compared with £5bn in 1983. Net working capital (excluding short-term debt, cash and short-term securities) declined over the first nine months by £543m.

Earnings from oil and gas were £935m in the third quarter, an increase of 23 per cent over the corresponding period. However, on an estimated current cost of supplies basis, earnings for the quarter were £751m, or 6 per cent lower than the £800m for the same period last year.



THIRD QUARTER EARNINGS

	1984 (£m)	1983 (£m)
Exploration and production	423	312
Shell Oil and Shell Canada	294	230
Manufacturing, marine and marketing	180	132
Shell Oil and Shell Canada	38	84
Chemicals	56	20
Shell Oil and Shell Canada	29	11
Coal	12	†2
Metals	†15	†17
Other	1	23
Earnings from Operations	1,018	793
Currency exchange gains	20	†11
Total net income	978	645

† Loss ‡ Debit

Group equity crude oil production for the third quarter fell by 1 per cent to 1.52m barrels daily. Group natural gas sales volumes increased by 409m to 4.46bn cubic feet daily.

Oil and gas exploration and production earnings, excluding Shell Oil and Shell Canada, increased by £111m, reflecting an increase of 10 per cent in natural gas sales volumes, an improved average upstream margin and favourable exchange rate movements.

Equity production of crude oil (excluding Shell Oil and Shell Canada) amounted to 904,000 barrels daily compared with 924,000 barrels daily in the third quarter of 1983.

Shell Oil's crude oil and natural gas production increased by 2 per cent and 11 per cent respectively.

Excluding Shell Oil and Shell Canada, earnings for manufacturing, marine and marketing increased in comparison with a year ago. However, on an estimated current cost of supplies basis, earnings declined markedly from £181m to a loss of £3m in third quarter of 1984.

The deterioration reflects the continuing inability in weak and competitive markets to raise local currency prices sufficiently to compensate for supply costs, inflated by the strengthing U.S. dollar; despite this, the supply costs in U.S. dollar terms, were lower due to weaker spot markets. As a result current margins, expressed in dollars per barrel, were considerably lower in the third quarter than in the same period last year and also lower than in the second quarter of 1984.

There was a 61 per cent decline in dollar earnings of Shell Oil's oil products segment due to lower margins for refined products, partially offset by an increase of 7 per cent in product sales volumes. Automotive gasoline selling prices dropped sharply because of abundant U.S. industry supplies.

Chemicals earnings, excluding Shell Oil and Shell Canada, improved substantially from £20m a year ago to £56m in the third quarter of 1984. Petrochemical earnings benefited from a 3 per cent increase in sales volumes and lower feedstock costs.

Shell Oil's chemical earnings also improved significantly from $14m to $37m in the third quarter 1984, due to increased sales volumes in most product lines coupled with lower raw material costs.

Coal earnings in the third quarter were £12m compared with a small £2m loss a year ago.

Metal losses were £15m in the third quarter, virtually unchanged in comparison with 1983.

See Lex

Portsmouth Newspapers profit hit by dispute

DESPITE A slip in pre-tax profits for the period to September 30 1984 at Portsmouth & Sunderland Newspapers, the group benefited from the sale of its Reuters shareholding to boost profits by over £2m at the attributable level.

The decline in taxable profits was from £1.28m to £1.2m, and follows a 36 per cent drop in the last full year. The directors point out that there was an industrial dispute at the News Centre, Portsmouth, in the final month of the period under review.

The result includes that of Jesse Ward Investments, the newspaper publisher acquired in November 1983. Turnover of the group, which in addition to the publication of local evening and weekly newspapers also trades as a contract printer, newsagent, confectioner, tobacconist and grocer, and has film and video interests, increased from £15.8m to £21.45m.

Included in the profit before tax is £16,000 (£14,000) income from investments and a £202,000 deduction for interest payable (£134,000 addition).

Extraordinary items of £3.06m (nil) comprise the profit after tax arising from the sale of the shares in Reuters less the loss on the sale of freehold property and the writing off of the purchase of goodwill in acquired retail shops.

The below-the-line credit boosted attributable profits from £1.53m to £3.79m, but the interim dividend is held at 1p net per share.

Earnings per share are quoted at 6p, down from 12.7p, before allowing for the extraordinary item.

● comment

Portsmouth and Sunderland Newspapers *does not* quantify the losses arising from a recent short strike, but it is the main factor behind the almost unchanged interim figures in contrast to a strong improvement in turnover. As the company soldiers on with its policy of trying to introduce new technology, the risk of further industrial action cannot be ruled out completely. Circulation is creeping back up after the first cover-price rise in two years was introduced in February and a further improvement should be established in the second half. Around £3m of the increase in turnover can be attributed to the recently acquired Jesse Ward Investment. Sales from the retail outlets rose by 20 per cent on last year while the company's two newspaper offices in the north of England increased revenue by around 13 per cent. The £3m-plus from Reuters along with a further £2.5m corporation tax refund which should be received before the year-end will reduce borrowings considerably and give the company scope for some expansion, possibly into cable TV or further investment in retailing. Pre-tax profits of around £2.9m seem possible, giving a PE of around 10.5, taking a line through the interim tax charge, on yesterday's share price 158p, down 2p, being processed.

B & C Shipping in reverse but shows underlying growth

DESPITE A sharply higher contribution from its associates British & Commonwealth Shipping saw its first half profits fall as a result of a downturn in the surplus arising from the sale of ships and aircraft.

However, Lord Cayzer, the chairman, tells shareholders that indications are that pre-tax profits for 1984 as a whole will show a worthwhile improvement over those achieved in 1983 after excluding the surplus from ship and aircraft sales and subject to the affairs of the associates which, he says, have become of increasing importance.

Pre-tax profits for 1983 totalled £58.53m, including a sales surplus of £18.51m.

For the opening six months pre-tax profits fell by £5.88m to £30.24m. The share of related companies profits surged from £4.68m to £15.7m but the surplus from the sales sank from £16.3m to £1.55m.

Group turnover for the period totalled £172.9m (£175.5m) and operating profits came through at £14.62m, against a previous £29.06m—B & C's activities take in shipping, air transport, aviation support services, hotels, office equipment, investment management and banking services.

Lord Cayzer says the reduction in the profit arising from the sale of ships and aircraft has brought about the anticipated imbalance between the respective half-years.

He adds that if adjustment is made for this item, the resulting increase in profits arose from a substantial increase in attributable profits of associates, offset to some degree by higher financing charges largely as a result of the investment of additional funds in that sector.

Interest charges for the half year accounted for £1.41m more at £6.38m.

The attributable surplus for shareholders emerged at £13.47m, compared with £17.98m, after deducting tax of £12.68m (£11.84m) and minorities of £4.29m (£6.34m).

Earnings per 10p share were down from an adjusted 10.1p to 7.6p but the interim dividend is being effectively lifted from 1.6p to 1.8p after adjusting for the share sub-division.

Caledonia Investments, an associate of British and Commonwealth, pushed its pre-tax profits up from £2.99m to £3.19m in the six months ended September 30 1984. The interim dividend is being lifted from an adjusted 1.5p to 1.7p net per 10p share.

The directors say present indications are that group profits before tax for the year will show some improvement over the previous £5.92m.

Amber Industrial Holdings, which is controlled by Caledonia Investments, turned in pre-tax profits of £319,000 (£372,000) for the half year to end-September 1984. Profits for the second half are expected to be not dissimilar from those of the opening half. The interim dividend is held at 2p net per share.

See Lex

DIVISIONAL BREAKDOWN OF OPERATING PROFITS

	First half 1984 £000	First half 1983 £000
Shipping	953*	145*
Air transport	9,309	7,615
Aviation support	2,659	2,174
Hotels	526	423
Office equipment	1,854	1,466
Other activities	323*	1,231
Sale of ships and aircraft	1,545	16,297

* Loss

Harvard Securities in row with Prior Harwin

BY WILLIAM DAWKINS

A BITTER row has broken out between Harvard Securities, the licensed dealer which sponsored its own flotation on the over-the-counter shares market last month, and one of the firms which market its shares.

Harvard has cancelled its listing agreement with Prior Harwin Securities, one of the four licensed dealers apart from Harvard, which quote prices for its equity.

Mr Tom Wilmot, Harvard's chairman, said the decision followed Prior Harwin's resignation from the British Institute of Dealers in Securities, an organisation which was established last November in an attempt to impose self-regulatory standards on the largely unregulated OTC market.

Speaking from Portugal, Mr Wilmot said: "Prior Harwin's prices were artificially low. My view is that our shares didn't warrant being sold at that level." Prior Harwin is currently offering to buy Harvard shares for 35p and sell them to investors at 37p in blocks of around 5,000.

Harvard offered 5m new shares for subscription on the OTC last month at 42p each, capitalising itself at £12.6m. The three other dealers which have an agreement with Harvard—Afcor, Baynard and N.K. Cosgrave — are currently quoting bid prices ranging between 33½p and 37p and offer prices of 36½p to 42p for bargains involving between 1,000 and 3,000 shares.

Mr Tony Prior, managing director of Prior Harwin, said: "We don't feel that we should keep our prices artificially high." His firm would continue to make a market in Harvard shares, despite Mr Wilmot's cancellation of their agreement. "We appeared in the Harvard prospectus as a market maker, and we feel we ought to be making a price because of that."

Two months before Harvard's OTC flotation, Mr Mort Glickman, a founder of the group, arranged for a placing of 4m of his own shares at 34½p each. However, the buyers of Mr Glickman's shares, a group of institutional investors, were obliged not to sell their investments for six months.

Mitchell Cotts building U.S. base 'from scratch'

THE PURCHASE of a project engineering company in the United States is one area of development that has so far eluded Mitchell Cotts, says Mr P. P. Dunkley, group chairman, in his annual statement.

"This is an activity in which we are significantly involved and, following the acquisition of Howard Humphreys, it was thought that such a move would help us build a strong base in both the U.S. and UK," says Mr Dunkley.

In the event, however, he says, "we found the high value of the dollar a major deterrent and decided instead to build from scratch."

Mr John Knights, recruited from America and appointed to the board is engaged in setting up Key Resource International. This company, says the chairman, "will act as the hub of all our project engineering, building simultaneously an international activity in its own name."

Mitchell Cott's engineering activities again accounted for over half of group trading profits in the year to end-June 1984. As reported last month, the company pushed full year profits before tax up from £7.38m to £10.89m, and Mr Dunkley is confident that mainstream activities will continue to develop and lead to further progress in the future.

However, the chairman points out that depressed conditions in South Africa have not relented and the recession is "biting hard." Generally there is a feeling that conditions are likely to remain difficult for some time and, as last year, Mitchell Cotts has been vigorous in rationalising its business.

Similarly, in Australia the mining industry in particular has been going through a bad patch and competition on the freight side has been intense. Results from Australia, says the chairman, cannot be viewed as satisfactory

Cocksedge loss cut to £0.15m

Cocksedge (Holdings), structural and mechanical engineer, made a small profit in the second six months to March 31 1984 and for the year as a whole reduced its pre-tax loss from £735,000 to £145,000.

Present indications are that the company will achieve a turnover of £4.5m in 1984-85 and as a consequence return to profit for the whole year, the second half reflecting the completion of several large orders

PSM oversubscribed

The offer for sale of 4.25m shares at 140p per share in PSM International the West Midlands manufacturer of industrial fasteners has been oversubscribed around 7 times. Hill Samuel, advisers to the company will announce full details of the allocation of shares today.

Insurance broking buoys Ansbacher despite losses

A SHARPLY higher contribution from insurance broking has offset losses and falling profits elsewhere at Henry Ansbacher Holdings, enabling the group to report a near £200,000 increase in taxable profit for the half year to September 30 1984.

Mr David LeRoy-Lewis, the chairman, states that prospects for the second half will depend very much on the markets in which the group operates—merchant and investment banking, insurance, ship and metal broking and trust management. Present indications are favourable, and in the light of this, the directors, as expected, have decided to restore the dividend which was reduced last year as a result of the provision in the insurance broking division. The special interim is 1.5p net per 50p share, following on from last year's 2p total.

The midway pre-tax figure was up from £1.15m to £1.35m, with only insurance broking and trust management showing improvements at the operating level with £1.44m (£573,000) and £203,000 (£179,000) respectively.

Turnover, excluding that of the banking divisions, came to £6.33m, up from £5.25m, and the taxable result was struck after holding company interest and finance costs at £125,000 (£82,000) and other central costs £227,000 (£305,000).

● comment

It is too early to pass judgement on Henry Ansbacher's U.S. ambitions. Certainly, the group has been busy building its New York base and adding to it with the acquisition of Laidlaw. The costs of all this activity largely accounts for the £307,000 loss on U.S. investment banking. In the UK, merchant banking was quiet—Ansbacher clearly did not get its share of the bids and deals in a busy period. But the banking operations are going through a period of change following the capital reconstruction of the group earlier this year which secured large stakes in Ansbacher for Groupe Bruxelles Lambert of Belgium and its major shareholder Pargesa. Meanwhile, the group has belatedly cleaned up the insurance broking business with dramatic effect, cutting staff and improving performance. The shares, unchanged at 80p, are marking time waiting for firmer evidence that Ansbacher, which has gone wrong with a couple of new ventures in the past, will have more success this time round. Investors can probably afford to wait and see for a while.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Amber Ind.	int	2	Jan. 8	2	—	5.5
H. Ansbacher†	int	1.5	—	nil	—	2
Aquascutum	int	0.75	Jan. 4	0.75	—	2.05
British Borneo	int	5	Dec. 21	5	—	15
Buckley's Brewery	int	0.8	Jan. 7	0.75	—	2.45
Caledonia Inv.	int	1.7	Jan. 9	1.5**	—	3.5**
Churchbury Estates	int	6.4	Jan. 9	5.8	—	18.5
Continental & Indst.	int	6	Feb. 7	5	—§	17
King & Shaxson	int	2.5	Dec. 17	2.5	—	8.25
Law Land	int	0.9	Jan. 3	0.8	—	3
London Shop Centres	int	3	Jan. 3	2.25	4	3
Murray Electronics	int	0.15††				
North Atlantic Secs	int	2		—	3.2	3
Northern Securities	int	0.67‖		0.67*	—	1.67*
Portsm'th & Sndrlnd	int	1	Dec. 14	1	—	3
Scottish Cities	int	10.5		9.5	14.5	13.5
Yorklyde	int	2.25		1.5‡‡	—	5‡‡

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ At least same final forecast. ** Adjusted for subdivision of shares. †† For 16 months to July 31 1984. Shares offered for sale May 1983. ‡‡ After subdivision of shares and scrip. ‖ Final dividend of 1p minimum forecast.

MINING NEWS BIDS AND DEALS

RioZim hit by refinery closure

BY KENNETH MARSTON, MINING EDITOR

NET PROFITS for the first nine months of this year at Rio Tinto Zimbabwe (RioZim) have declined to Z$2.9m (£1.6m) from Z$4.6m in the comparable period, when the total came out at Z$5.8m.

This 58.4 per cent-owned Zimbabwe subsidiary of Rio Tinto-Zinc anticipates more encouraging prospects for the current quarter, however, which should mean a total net profit for 1984 of more than Z$4m.

Revenue has been hit this year by the fall in nickel and copper sales resulting from the closure of the base metals refinery.

On the other hand the industrial operations have improved to break-even level, while gold production has increased, helped by a higher grade of ore mined and a substantial improvement of deliveries of concentrates from dump material.

Gold output is expected to be maintained at the higher levels in the current quarter and RioZim says that gold price and exchange rate uncertainties will be reduced by the recently-announced Zimbabwe Government support price for gold which became effective on November 1. Otherwise, the impact of the move is not expected to be significant.

Volatile position makes Cons Gold stall forecast

MR RUDOLPH AGNEW, chairman of Consolidated Gold Fields, told yesterday's annual meeting that he believed the current year would be "very tough." He added: "Clearly, I would hope we can do better than last year, but it is too early to hold out any promise," he added.

He pointed out that with current uncertainties over the U.S. dollar, interest rates generally, economic growth, inflation and employment, "I would have difficulty in forecasting the half-year results, let alone the full year (to next June) until some of the variables become less volatile and more permanent trends emerge."

He said that the group "has great upside potential once the commodity markets move in our favour." In the year to last June, Gold Fields' net attributable profits recovered from £57m to £71.5m while the dividend total was unchanged at 24.5p out of earnings of 38.2p per share.

Mr Agnew said that the ill-fated U.S. Skytop Brewster oil rig business had seen a small revival in its activities, but would not make a profit this year. The group's provision of £87m, which covers Skytop's losses pending a sale of the business remains adequate, but so far no buyers have been found for it.

MINING NEWS IN BRIEF

The Rio Tinto-Zinc group's South African Palabora copper mining operation is declaring an increased third quarterly interim for 1984 of 25 cents (about 11p). This brings the total for the first nine months of this year to 60 cents compared with 32.5 cents a year ago. The full year's total for 1983 was 60 cents.

* * *

A consortium comprising South Korea's Kukje-ICC (50 per cent), the U.S. Reynolds Metals (25 per cent) and Australia's Griffin Coal (25 per cent) is making a detailed feasibility and seeking government approvals for an aluminium smelter in Western Australia. Griffin states that work is progressing rapidly with a view to the consortium making a go-ahead decision in the first quarter of next year.

* * *

eCntral Norseman Gold, a 50.5 per cent-owned subsidiary of Western Mining, expects a "Significant" increase in its net profit for the six months to December 31 over the A$2.31m (£1.58m) earned in the same period of last year. Mr K. F. Parry, the chairman, said in Melbourne that this forecast was based on increased gold production and current prices in Australian dollars.

* * *

Australia's Samson Exploration proposes to raise A$1.12m (£767,000) via a one-for-two rights issue at 12 cents (8.2p) per share. The closing date for acceptances will be January 10 and the renounceable issue is being underwritten jointly by Melbourne stockbrokers May and Mellor and Wilson and Co in Brisbane.

* * *

Following a period of low prices for zinc and unsatisfactory returns from sales of concentrates, Canada's Cominco is to suspend operations at its Polaris mine for one month starting mid-December. The mine, on Little Cornwallis Island in the Canadian Arctic, is a major supplier of high grade zinc concentrates to the European market. It produces approximately 16,000 tonnes of zinc concentrates and 3,300 tonnes of lead concentrates per month.

* * *

The U.S. Hanna Mining intends to shut down its 37.5 per cent-owned Butler operation in Minnesota because of reduced demand for iron ore. It is expected to resume iron ore-pellet production early in the spring next year. The facility was closed between November 1 last year until March 5 1984.

Unilever in computer deal with Gen. Motors

Unilever is to sell its data processing subsidiary to an offshoot of General Motors.

It will announce this morning the sale for an undisclosed sum of the data services, corporate and commercial divisions of its data processing subsidiary, Unilever Computer Services (UCSL), to Electronic Data Systems (EDS), a major U.S. computer bureau and consultancy.

Some 135 staff on a number of sites across the country will be involved. The Datacom division involving microfilm and microfiche services will not be part of the deal.

The data processing division of UCSL comprises the computer bureau and its associated consultancy activities in industrial, financial and commercial marketplace. It specialises in the processing of in-house credit card information and in the design and operation of shared networks of robot cashiers for banks and building societies. Last year, it turned over £14m.

Unilever said earlier this week that it had decided to sell the bureau to concentrate on its principal business activities and to allow UCSL, which has been seeking to grow vigorously, the opportunity to expand within a like-minded organisation.

EDS is a Dallas, Texas, based computer services company that turned over $780m in its financial year ended June 1984. General Motors bought it for $2.5bn the same month, to overhaul, standardise and revitalise GM's huge array of computer systems.

Last night, EDS refused to make any comment on the deal before Unilever's announcement of the sale.

● Unilever is holding talks with a group of employees about a possible management buy-out of the Datacom side.

ICI acquires stake in U.S. dental market

ICI is acquiring Coe Laboratories of Chicago, a long-established supplier of materials and services to the dental profession.

The value of assets involved is under 1-2 per cent of ICI's group assets. The acquisition takes effect from November and will provide a basis for the future growth of ICI's dental products in the U.S., and by enhancing the Coe product range, it will create a significant new combined presence in the U.S. market.

In the dental area ICI is developing an international business based on products derived from ICI research in the treatment of dental disease.

The first of its new dental products Occlusin, is a light-cured, tooth-coloured composite specifically designed for filling back teeth, as are placement for amalgam.

ICI is developing outlets for Occlusin in all major markets.

Cookson to sell Valspar paint makers to Becker

BY ALEXANDER NICOLL

Becker, a Swedish paint and industrial coatings group which made an unsuccessful bid for Cover-Plus maker Donald Macpherson earlier this year, is to buy the makers of Valspar paints from Cookson Group.

Cookson, which has gradually been divesting its paint manufacturing interests, will initially be paid £2.4m for 75 per cent stakes in Liverpool-based Goodlass Wall and Co. and Alexander, Fergusson and Co of Glasgow.

Repayments of intra-company debt to Cookson and the purchase of the final 25 per cent of the two subsidiaries, if Becker takes up options to do so, will bring the total cash amount coming to Cookson to £15m by 1988.

Valspar will be Becker's first consumer brand, and the companies it is acquiring also produce industrial coatings and powder paints fit in well with Becker's existing products, said Mr Alan Walker, a British-based director of Becker.

The acquisitions, with a combined turnover of £32m and a profit in 1983 before tax of £800,000, will take Becker's UK turnover to about £50m and its overall sales to above £200m, Mr Walker said.

Like the bid for Donald Macpherson—overtaken by competing bids and eventually won by Tikkurila of Finland—the purchases underline Becker's aim to expand internationally from its Scandinavian base, he added.

Cookson, on the other hand, has been selling its paint interests in order to focus on being a metals, chemicals and ceramic supplies group. It has sold, among other holdings, a 30 per cent interest in Dulux New Zealand but still has 30 per cent of Dulux Australia.

Mr Fergus Munro, Cookson finance director, said the company is retaining 25 per cent of the subsidiaries—as well as two directors on their board—in order to ensure a smooth transition.

Yorks. Chemicals' Canada link

BY CHARLES BATCHELOR

Cundill Value Fund, a Canadian fund specialising in recovery stocks, has taken a 5.6 per cent stake in Yorkshire Chemicals, the dyestuffs group whose chairman and managing director, Dr Jeffrey Butcher, quit last week after a boardroom split.

The fund is part of Peter Cundill and Associates, a Vancouver-based investment management group which in January bought a 5.2 per cent stake in Blackwood Hodge, the troubled construction equipment distribution company.

The Yorkshire holding was built up over the past three months by market purchases carried out by Atlantic Nominees, a nominee name used by the Bank of Montreal. A Cundill representative told Yorkshire's board in advance it was interested in taking a holding.

Dr Butcher, 55, who joined Yorkshire in 1981 from Carrington Viyella, the textiles group, said he returned from a business trip to Switzerland to face a request from the rest of the five-man board for his resignation.

Dr Butcher, who had nearly four years of a service contract to run, said a compensation payment had been agreed but he refused to reveal the amount involved.

"They declined to be specific about the reasons for asking me to leave," Dr Butcher said. "People who catalyse change are not always comfortable partners for the long-term. There may be an element of that."

Mr David Brimblecombe, Yorkshire's company secretary, denied there had been a board meeting in Dr Butcher's absence but refused to elaborate on a joint statement which said that Dr Butcher had resigned for personal reasons.

Mr Phillip Lowe, 44, who was brought in as commercial director by Dr Butcher in 1981, has been appointed managing director while Mr Alan Martin has been appointed non-executive chairman.

Yorkshire has been cutting costs and expanding its speciality chemicals business over the past three years after making combined losses of £2.52m pre-tax in 1980 and 1981.

Recovery was slowed however by the discovery that inadequate stock controls had produced a stock deficit of £500,000 in 1983. Profits more than doubled in that year to £568,000 but were well below expectations because of the stock problem.

Yorkshire achieved a small increase in pre-tax profits — to £140,000 from £131,000 — in the first six months of 1984.

Its shares were unchanged at 56p yesterday.

BIDS AND DEALS IN BRIEF

Bath and Portland Group has written to shareholders formally rejecting the take-over offer from C. H. Beazer (Holdings). The board advises holders to take no action whatsoever.

* * *

The discussions between London & Strathclyde Trust and an undisclosed party, with a view to a possible offer, have been terminated.

* * *

W. A. Tyzack is looking at the possibility of an acquisition that would integrate into the company.

Also, it is hopeful that it will sell the Stella site and ultimately move its head office to the Horseman Works in Green Lane.

* * *

Hardanger Properties, quoted on the USM, said yesterday that it will make an agreed offer for Eyre & Sons, a retail furnishing company with outlets in the North-East of England.

Terms of the proposed deal were not disclosed, but Mr Derek Coombes, Hardanger chairman, said the purchase would involve the issue of shares. Eyre is privately-owned.

Hardanger is interested in Eyre for its properties, Mr Coombes said, but Eyre is expected to continue its current business.

* * *

J. Saville Gordon Group has acquired the whole of the issued shhare capital of London & Winchester Properties, a privately-owned investment property company.

The consideration was £620,000, payable in cash on completion. The value of the underlying assets as disclosed by the audited accounts for the year to March 30, 1984 is £753,630. If the company's properties were sold at their balance sheet values the estimated liability to capital gains tax would be £85,369.

No provisions for this potential liability has been made in the audited accounts.

* * *

P. T. Sabrin has purchased 910,000 ordinary shares in Bluemel Bros., and now has 7.07m (28.95 per cent).

* * *

Caparo Industries has received acceptances in respect of 7.06m Fidelity ordinary shares (approximately 62.6 per cent). Caparo now owns and has acceptances amounting to 11.1m Fidelity shares (approximately 98.5 per cent).

* * *

As a result of recent sales the interest of the Prudential corporation Group of companies, together with that of the segregated funds which they manage for clients in the shares of the Tilbury Group, is no longer notifiable.

COMPANY NEWS IN BRIEF

Taxable profits at British-Borneo Petroleum Syndicate rose from £855,000 to £902,000 in the six months to September 30 1984 from income up by £27,000 to £1.16m.

The 5p net interim dividend is unchanged, following on from the 15p total last time. Earnings are stated at 12.9p (12.6p) per 10p share.

The group, an investment holding and dealing company, paid £320,000 in tax against £291,000. Net assets rose from £2.5m to £2.9m in the period.

* * *

All companies in "The Times" Veneer group are trading profitably, and currently at a satisfactory level, the directors report. They are hopeful of a return to dividend when the results for 1984 are available. The last dividend was the final of 0.3p paid in July 1980.

The company, manufacturer and merchant of timber, veneers and processed wood products, stayed in profit in the first six months of 1984 and increased it from £32,000 to £54,000, on a turnover of £2.7m (£2.4m) net of VAT. Earnings were 0.76p (0.45p).

* * *

Although turnover moved ahead from £2.55m to £2.88m at Yorklyde, Huddersfield-based cloth and rug manufacturer, trading profit for the six months to end-July 1984 fell by £23,000 to £602,000.

An interim dividend of 2.25p is being paid to reduce disparity. Last year's interim was an adjusted 1.5p.

The company also received £54,000 (£39,000) in dividends and interest, and profit on investment realisations was £48,000 (£32,000).

* * *

For the year ended September 30, 1984, Scottish Cities Investment Trust is lifting its dividend by 1p to 14.5 net, with a final of 10.5p. Earnings rose by a like amount to 15.4p per share.

At the end of the year, the net asset value was 496p, showing a rise of 33.5p over the 12 months.

Total income came to £977,000, against £770,000, while administration expenses were up to £244,000 (£82,000). Tax takes £242,000 (£275,000).

* * *

Mr Christopher Curry, managing director of Acorn Computer, told the AGM that sales for the first quarter of the current year were exactly on target and ahead of the same period last year.

He added that the group had only just commenced the Christmas quarter, its busiest period. Although it was rather too early to predict the outcome for the three months, all indications from the retail outlets pointed to the likelihood of substantial sales of the Beec and Electron over the period.

BANK RETURN

	Wednesday November 7 1984	Increase (+) or Decrease (—) for week
BANKING DEPARTMENT		
Liabilities	£	£
Capital	14 553,000	—
Public Deposits	518,426,210	+ 462,999,399
Bankers Deposits	780,266,892	+ 176,254,621
Reserve and other Accounts	1,478,358,314	— 94,639,620
	2,791,604,416	+ 544,614,400
Assets		
Government Securities	462,201,961	— 30,408,541
Advance & other Accounts	746,489,708	— 116,349,082
Premises Equipment & other Secs.	1,569,453,731	+ 689,686,108
Notes	13,325,809	+ 1,709,982
Coin	153,207	— 24,067
	2,791,604,416	+ 544,614,400
ISSUE DEPARTMENT		
Liabilities	£	£
Notes issued	12,050,000 000	+ 10,000 000
in circulation	12,036,674,191	+ 8,290,018
in Banking Department	13,325,809	+ 1,709,982
Assets		
Government Dept	11,015,100	—
Other Government Securities	933,882,432	— 177,010,174
Other Securities	11,105,102,468	+ 187,010,174
	12,050,000,000	+ 10,000,000

BASE LENDING RATES

A.B.N. Bank	10 %
Allied Irish Bank	10 %
Amro Bank	10 %
Henry Ansbacher	10 %
Armco Trust Ltd.	11 %
Associates Cap. Corp.	10½%
Banco de Bilbao	10 %
Bank Hapoalim	10½%
BCCI	10½%
Bank of Ireland	10 %
Bank of Cyprus	10 %
Bank of India	10½%
Bank of Scotland	10 %
Banque Belge Ltd.	10 %
Barclays Bank	10 %
Beneficial Trust Ltd.	11 %
Brit. Bank of Mid. East	10 %
■ Brown Shipley	10½%
CL Bank Nederland	10 %
Canada Perm't Trust	10 %
Cayzer Ltd.	10 %
Cedar Holdings	11 %
■ Charterhouse Japhet	10 %
Choulartons	11½%
Citibank NA	10 %
Citibank Savings	¶11½%
Clydesdale Bank	10 %
C. E. Coates & Co. Ltd.	11 %
Comm. Bk. N. East	10 %
Consolidated Credits	10½%
Co-operative Bank	*10 %
The Cyprus Popular Bk	10 %
Dunbar & Co. Ltd.	10 %
Duncan Lawrie	10 %
E. T. Trust	11 %
Exeter Trust Ltd.	10½%
First Nat. Fin. Corp.	12½%
First Nat. Secs. Ltd.	12 %
■ Robert Fleming & Co.	10 %
Robert Fraser & Ptns.	10½%
Grindlays Bank	‡10 %
■ Guinness Mahon	10 %
■ Hambros Bank	10 %

Heritable & Gen. Trust	10 %
■ Hill Samuel	§10 %
C. Hoare & Co.	†10 %
Hongkong & Shanghai	10 %
Knowsley & Co. Ltd.	10½%
Lloyds Bank	10 %
Mallinhall Limited	10 %
Edward Manson & Co.	11½%
Meghraj and Sons Ltd.	10½%
Midland Bank	10 %
■ Morgan Grenfell	10 %
National Bk. of Kuwait	10 %
National Girobank	10 %
National Westminster	10 %
Norwich Gen. Tst.	10 %
People's Tst. & Sv. Ltd.	11 %
R. Raphael & Sons	10 %
P. S. Refson & Co.	10 %
Roxburghe Guarantee	11¼%
Royal Bk. of Scotland	10 %
Royal Trust Co. Canada	10 %
■ J Henry Schroder Wagg	10 %
Standard Chartered	‖10 %
Trade Dev. Bank	10 %
TCB	10 %
Trustee Savings Bank	10 %
United Bank of Kuwait	10 %
United Mizrahi Bank	10 %
Westpac Banking Corp.	10 %
Whiteaway Laidlaw	10½%
Williams & Glyn's	10 %
Wintrust Secs. Ltd.	10 %
Yorkshire Bank	10 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 6.75%, 1 month 7.50%. Fixed rate 12 months £2,500 7.5%. £10,000, 12 months 9.00%.
† 7-day deposits on sums of under £10,000 6¾%. £10,000 up to £50,000 7¾%. £50,000 and over 8½%.
‡ Call deposits £1,000 and over 6¾%.
‖ 21-day deposits over £1,000 7¾%.
§ Demand deposits 6¾%.
¶ Mortgage base rate.

UK COMPANY NEWS

Churchbury improves and raises interim dividend

LOWER CHARGES have enabled Churchbury Estates to push up its pre-tax profit from £1.5m to £1.76m in the half year ended September 30 1984, and the interim dividend is being raised from 5.7p to 6.4p net.

Property outgoings were reduced to £305,000 (£396,000), interest payable to £379,000 (£475,000) and expenses to £426,000 (£512,000). Turnover was maintained at £2.88m with gross rents of £2.71m (£2.69m) and interest income received £170,000 (£195,000). For the full year ended March 31 1984 the group made a profit of £3.32m and paid a total dividend of 18.5p.

The half time profit allows for a loss of £10,000 (profit £3,000) on dealing activities. Tax takes £675,000 (£609,000) and minorities £115,000 (£104,000), to leave the net attributable profit at £966,000 (£788,000) and earnings of 13.84p (11.44p). Extraordinary items have again been dealt with in the reserves.

The company invests in property and in quoted securities relating to property and property dealing. Its quoted subsidiary Law Land followed a similar pattern in its first half with lower charges helping to raise the profit from £1.59m to £1.76m. The interim dividend is lifted to 0.9p (0.8p) net.

Turnover came to £2.53m (£3.18m) with gross rents at £2.45m (£2.49m). Property outgoings were down to £291,000 (£376,000), administration expenses to £324,000 (£401,000) and interest payable to £246,000 (£310,000), while interest income fell to £169,000 (£188,000). Profit for the whole of 1983-84 was £3.42m and the dividend paid 3p.

After tax £668,000 (£651,000) the available profit was £1.05m (£938,000) for earnings of 2.44p (2.12p). Extraordinary items have again been dealt with in the reserves.

● comment

In a year when not much was expected to happen, Churchbury's performance is not far off market expectations for the first half. Over the past few years the group has made giant strides following the acquisition of Law Land and that company's subsequent rationalisation. Now, the benefits are slowing down as the company considers its next big strategic move alongside its running policy of rent reviews and buying in freeholds. Of course the group would dearly like to get its hands on another company of the quality of Law Land but the buoyant commercial property share market will make it difficult to find one at an attractive discount. This same problem must also raise a question-mark over Churchbury's own attitude to an outside bid, around which there has been much speculation recently. At the moment the company's shares, 3p to 706p, are selling at a near 20 per cent discount to net assets value—just short of the sector average. Thus corporate marriages will likely be restricted to the flush or the desperate, not Churchbury. The more likely path will be a conventional investment strategy; to get prime rents on the group's largest single investment, Brettenham House in London WC2, it will have to implement a major refurbishment programme. On the present course around £3.7m pre-tax looks likely this year. Next year there will be rent reversions coming through and profit from the sale of the Australian property.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purposes of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—Futura, Hill Samuel, Polymark International, John C. Small and Tidmas.
Final—New Cavendish Estates.

FUTURE DATES

Interims—

A and M Hire	Nov 12
Associated Heat Services	Nov 21
Black Arrow	Nov 16
Central and Sheerwood	Dec 6
CDT	Nov 16
Electro Investment Trust	Nov 14
Evans of Leeds	Nov 28
Ferguson Industrial	Nov 12

Finals—

Avon Rubber	Dec 5
Beltway	Nov 13
Elsevier	Nov 21
Scottish Investment Trust	Nov 21
Stockdale	Nov 16
Wace Potteries	Nov 14
Wolverhampton and Dudley Breweries	Dec 11

Strong half year results for Buckley's

Llanelli - based Buckley's Brewery has returned increased taxable profits of £504,457, compared with £364,950, for the half year ended September 29 1984.

The result includes a same-again £36,418 dividend from its associated company Felinfoel Brewery, and investment income of £3,098 (£4,421).

On turnover up from £5.86m to £6.31m the company made a trading profit of £589,909 against £405,759.

The net interim dividend is being lifted from 0.75p to 0.8p. Last year's total of 2.45p was paid on taxable profits of £850,059. Net earnings per 25p share were shown as 2.98p (1.84p).

Rush & Tompkins ahead as overseas arm improves

The increase in turnover, from £39.02m to £49.04m for the first half of 1984 at Rush and Tompkins Group, arose mainly in the overseas division which has returned to its normal workload, Mr Derek Palmar, group chairman, says.

Pre-tax profits for this Sidcup-based property investment, building and civil engineering contractor were up at £1.17m against £1.14m. The UK construction market continues to be competitive, the chairman says, with the consequent pressure on margins.

The group's net rental income increased from £1.09m to £1.17m, while its trading profit came out lower at £1.31m (£1.72m). Interest and central expenses fell from £1.67m to £1.31m.

A same-again 2p net interim dividend is declared. Last year's 7.25p total was paid on taxable profits of £2.82m.

The group's property activities, both in the UK and U.S. continue as planned, the directors say. In the UK these have included the sale of phase one of the Horley development, near Gatwick Airport, the start of other developments for the office and retail markets, and the acquisition for shares of an investment property in Surrey.

In the U.S. the company's shopping mall in Virginia opened for business in August with the greater part let.

Tax took a lower £150,000 (£156,000), leaving attributable profits higher at £1.92m (£982,000).

Slight fall in Murray Electronics' asset value

Murray Electronics, the Glasgow-based high technology investment fund, announced yesterday that revenue before tax amounted to £342,582 in the 15 months to last July.

Net asset value at the end of July was 97.55p, as against 100.22p on January 31, reflecting a downrating in the value of U.S. high technology stocks. Murray had £14.1m invested in 13 unlisted companies in the electronics sector at the end of the period, of which 11 are in the U.S. and two in the UK.

Over that period, the Hambrecht and Quist index of U.S. high technology stocks fell by 45 per cent in sterling terms. "This has increased the number of companies looking for venture capital finance and brought the valuation placed on such companies to a level more realistically commensurate with the level of risk," say Murray's directors.

Murray's shares held steady at 86p after the announcement, where they stand on a 10.8 per cent discount to net assets. The company offered for sale in May last year 30m 25p shares at 100p each.

Shareholders' funds amounted to £29.3m, made up from £15.3m of bonds and net cash, and £13.7m of investments in unlisted equities. The directors are proposing a 0.15p net dividend.

Murray's policy has been to invest and take a management role in companies which can be expected to have their shares dealt in on a recognised market within six months to two years without further capital injections.

It has actually had to refinance two of its U.S. companies because they would have been unable to raise funds on the public equity markets.

However, one of its UK investments, TDS Circuits, a printed circuit board maker in which Murray has a 34 per cent stake, has joined London's Unlisted Securities Market, and Star Technologies, a processor producer, plans to seek a quotation on the U.S. over-the-counter market.

King & Shaxson

King & Shaxson, banker, reports its profits for the half-year ended October 31 1984 to be satisfactory, although it does not disclose figures. It is holding the interim dividend at 2.5p net per share.

The company deals in sterling and currency bills of exchange, sterling and dollar certificates of deposit, British Government stocks and local authority bonds.

London & Provincial Shop exceeds profit forecast and pays 4p

AN INCREASE of £616,000 to £2.03 in pre-tax profits for the year ended June 24 1984 is reported by London and Provincial Shop Centres (Holdings). The total dividend is lifted by 1p to 4p net.

At the halfway stage the directors forecast a profit for the year in the region of £1.85m and promised a final dividend of 3p—this is being paid.

On June 24 1984 net assets had moved up from £60.5m to £61.4m, or from 378p to 379p per share. This included a revaluation by Healey and Baker of the investment properties at £73.8, against £74m, and development properties at £15.8m (£5.9m). These are shown at cost and include attributable gross interest of £1.4m (£1.08m) capitalised during the year. Borrowings are £1.5m higher at £25.5m.

Negotiations for the letting of the whole of Edinburgh House and Cornwall House, in which the group has a 75 per cent interest, are at an advanced stage. These developments, both in Slough, comprise 68,400 sq ft net air conditioned office and showroom accommodation.

In the year gross rental income expanded by nearly £0.5m to £3.97m. The tax charge has again been materially reduced by relief for capitalised interest and capital allowances. After £351,000 (£189,000) for tax the available profit comes out at £1.68m (£1.22m) and earnings at 10.39p (7.54p) per share.

● comment

London and Provincial is an inappropriately named company whose fortunes are largely dependent on the dormitory town of Slough, where 90 per cent of the company's portfolio is located. Over the past few years Slough's commercial property market has been over-supplied, which accounts for the revaluation deficit—the second in two years. Yet against this, the company has topped both its own and the market's forecasts by a healthy margin, thanks to the bunching of a number of rent reviews, some capitalisation of interest and strict control of management charges. On top of this comes the news of prospects for the full letting of the big Edinburgh House and Cornwall House development, which, if they come off, will be a welcome short-in-the-arm for the current year. All this sent the shares up 19p to 282p, where the 25 per cent discount to net asset value is a few percentage points above the sector average. Given the underlying softness of its principal market and the historic yield of just 2 per cent, the shares look to be fully valued but they have attractions in that Edinburgh House and Cornwall House are probably the most favoured bid prospect in the sector.

Park Place broadly on target in first quarter

REPORTING on the first quarter's trading for Park Place Investments, chairman Mr M. R. Frankel told the annual meeting that results were "broadly in line with expectations and were encouraging."

The company has interests in organisations that run training courses for accountants and stockbrokers, computer keyboard training, and are involved in publishing, hire purchase and leasing.

In the year ended June 30, 1984 the group profit was halved to £746,000 because of losses sustained by Key Holdings in providing YTS training for the government. The Scottish YTS training facilities were disposed of and, Mr Frankel told the meeting, the Key group had begun the current year well and was marginally ahead of budget.

The financial trading side was benefiting from the larger number of students who entered accountancy in 1983, and the chairman saw that upswing continuing over the next three years. Sales of study packs were within expectations and the new correspondence course had started promisingly.

In publishing Waylands results were similar to last year and fell below "a rather ambitious" target. Retail sales in Park bookshops were better than expected and plans were well advanced for expanding into the provinces.

Competition from the banks made life difficult for the leasing business. The instalment credit division was a little behind budget and appeared rapidly to be closing the gap, the chairman stated.

Public Notices

NOTICE PUBLISHED BY THE SECRETARY OF STATE UNDER SECTION 10(7) OF THE TELECOMMUNICATIONS ACT 1984

Licence to run Telecommunication Systems granted under Section 7 of the Telecommunications Act 1984 to Mercury Communications Limited

1. In pursuance of Section 10(7) of the Telecommunications Act 1984 ("the Act"), the Secretary of State hereby gives notice:
(a) that he has duly reconsidered the proposals in respect of which he published a notice on 30 July 1984 in pursuance of sections 8(5) and 10(5) of the Act regarding his intention to grant a telecommunications licence under Section 7 of the Act to Mercury Communications Limited ("the Licensee") to run telecommunications systems [illegible]

[illegible]

I. K. C. ELLISON
An Assistant Secretary
Department of Trade and Industry

9 November 1984.

Company Notices

COMPANY ANNOUNCEMENT

THE SOUTH AFRICAN LAND & EXPLORATION COMPANY LIMITED

(Incorporated in the Republic of South Africa)

FEASIBILITY STUDY AND ERECTION OF FLOTATION PLANT

The detailed appraisal of restarting mining operations within the area covered by the existing S.A. Lands mining lease, the additional area to the south and southwest over which the company holds mineral rights and the mynpacht rights acquired over the Van Dyk Nos. 4 and 5 shafts, has now been completed. This study, which started with prospecting to the south of the mining lease in 1975, has covered various possibilities, including mining the old mined area, equipping the Van Dyk No. 5 shaft as the start of a new mining operation, and the sinking of a new shaft system in various areas as the start of a new mine.

The evaluation of the gold values was based upon surface borehole results, relevant sampling results from surrounding workings and the recent resampling of the old Van Dyk No. 5 shaft area.

From the results obtained, the directors of S.A. Lands have accepted that, even at gold prices well above the present Rand gold price, the expenditure on the restarting of mining operations would not provide a worthwhile investment.

The hoists and pumping equipment in the Van Dyk No. 5 shaft will therefore be reclaimed and sold and the shaft will be closed. The inflow of water from the East Rand basin has been limited by the installation of a concrete plug, so re-opening of the shaft, if necessary in the future, will be reasonably simple.

Since underground operations within the company's mining lease ceased at the end of 1976, the company has treated material from outside sources in its gold plant. The directors of S.A. Lands have now accepted the recommendation of the technical advisers to add a pyrite float section to the gold plant in order to improve the gold extraction efficiency. This will enable lower grade rock dump material and sand dumps to be economically treated, and thus extend the profitable life of the operation. Final gold recovery will be carried out at the East Rand Gold and Uranium Company Limited's sulphuric acid and gold plants.

The capital cost of the project is estimated to be R6 740 000, including escalation. The work will take about 18 months to install.

The after-tax effect of this expenditure is not expected to affect dividends which would normally be paid by more than 5 cents per share for each of the next three years.

Copies of this announcement will be posted to all shareholders.

By order of the board
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
Secretaries
per: H. E. Phillips

Johannesburg
November 8 1984

5¼% CONVERTIBLE DEBENTURE LOAN 1969 U.S.$15,000,000
GIST-BROCADES N.V.

In accordance with Article 3 of the Trust Deed the undersigned announces that the redemption per 1st January 1985 will amount to U.S.$160,000.

The redemption shall take place by drawing, to be held on 19th November 1984 of 160 debentures of U.S.$1,000.

Up to 1st November 1984 a total of 10,378 debentures were converted including 1,347 drawn debentures, and a total of 3,023 debentures were redeemed. Consequently, the principal amount of the debentures outstanding is U.S.$1,599,000.

B.V. ALGEMEEN ADMINISTRATIE- EN TRUSTKANTOOR
Wijnhaven 67-69,
3011 WK Rotterdam,
The Netherlands.

Rotterdam,
5th November 1984.

NIPPON MEAT PACKERS INC.
(CDRs)

The Company has announced at the Tokyo Stock Exchange the business results and forecast for the current term (August 1, 1983 through July 31, 1984).

	Current term	Previous term
Sales	369,971	344,895
Profit before tax	15,682	13,468
Profit for the term	6,821	5,886
Profit per share	yen 37.55	yen 32.43

Figures in million yen unless otherwise specified.

AMSTERDAM DEPOSITARY COMPANY N.V.

Amsterdam,
November 5, 1984

UNION BANK OF FINLAND LTD.

U.S.$100,000,000 FLOATING RATE SUBORDINATED NOTES DUE 2034

In accordance with the provisions of the Notes, notice is hereby given that for the interest period from November 8, 1984 to May 8, 1985 the Notes will carry an interest rate of 10⅝% p.a.

The interest payable on the relevant interest payment date, May 8, 1985 against Coupon No. 1 will be U.S.$21.63 per Note.

The Reference Agent
Kredietbank S.A. Luxembourgeoise

NOTICE TO HOLDERS OF EUROPEAN DEPOSITORY RECEIPTS (EDRs) IN NISSIN FOOD PRODUCTS CO., LTD.

We are pleased to confirm that copies of the Annual Report for the Fiscal Year (from April 1, 1983 to March 31, 1984) of Nissin Food Products Co., Ltd. are now available to EDR holders, upon application, at the offices of the Depositary, Citibank, N.A., 336 Strand, London WC2R 1HB, and the Agent, Citicorp Bank (Luxembourg) S.A., 16 Avenue Marie Therese, Luxembourg.

CITIBANK, N.A., LONDON
Depositary

November 9, 1984

THE PROPERTY MARKET BY MICHAEL CASSELL

Rowe & Pitman team quits

IN A DEAL which wipes out Rowe & Pitman's five-year effort to establish its own commercial property agency, the City stock-broking firm has reluctantly sold the business to its two executive surveyors and to Baring Brothers, the merchant bank.

The sale of Rowe & Pitman Property Services, just when it was beginning to achieve profits, has left plenty of ill-feeling in its wake. Peter Hardy, the Rowe & Pitman partner who heads up the firm's property operation, says he is "shocked and angry" about the affair, although he is confident the business has "gone into good hands."

Under the terms of the transaction, Rowe & Pitman is to sell all the share capital of the property services company to Robert Houston, who left Richard Ellis to set up the business, Richard Saunders, his executive partner, and to Barings, whose initial 25 per cent stake will eventually rise to 50 per cent. The new company will be called Baring, Houston and Saunders.

The split came to a head very quickly and centres mainly on the ability of the property business to maintain its independence within the giant investment bank being planned via the merger of Mercury Securities, parent of merchant bank S. G. Warburg, Akroyd and Smithers, the jobbers, Mullens, the gilt specialists, and Rowe & Pitman.

Houston says he was forced to make a commercial decision which greatly saddened him. "It was always understood that independence was essential to our success in offering the full range of property services.

"The merger plans dramatically changed everything. The fact that Warburgs have their own property services department was not in itself an enormous conflict, as it centres on in-house fund management. But there would inevitably have been pressure to merge.

"Our style revolves around providing specialised services on a very personal basis. Our ambition is to be an up-market, highly profitable organisation working from a small base. But even if we achieved £1m profits a year, it would be a drop in the ocean within the new organisation. I am sorry if people are upset but we offered a handsome price by way of compensation."

Houston also foresaw major problems over the handling of the Lilliput unit trust, started up about a year ago and to which Barings have become a leading subscriber, as well as a secretary. The fund is now worth around £7½m and Rowe and Pitman's role as managing agents is likely to continue despite the break-up. A partner will remain on the board.

"We would have lost a great supporter of the unit trust once we were absorbed into the Warburg camp. It just became very clear that we would be going in a different direction to the one I had held out to staff at the beginning. Some people see financial supermarkets as the way ahead but that is not our approach. Above all, we didn't want someone else interfering with our plans."

Houston told Barings he intended to resign and start again but they put forward proposals which were set before Rowe & Pitman. According to Peter Hardy: "It was always the intention to give them a substantial interest in the company as soon as it had established itself. This year, it recorded its first profit on income of £253,000.

"But we had no real alternative than to sell. We could have just let them go, retained the business and attempted to rebuild at once. But our clients would have been left in total limbo. I am very disappointed and upset about the whole episode and we will now have to reconsider where we go from here. We are certainly keeping the name for possible future use."

● BP CHEMICALS has asked Savills to take the surplus 52,000 sq ft of office floorspace at Belgrave House, Victoria, off the market. They have decided to share the 167,000 sq ft building with BP Minerals International.

● Estates & General Investments are in the final stages of talks with House of Fraser which wants to occupy the major store — approaching 100,000 sq ft of trading space —in its Castle Mall scheme at Norwich. The £30m centre will be completed in 1988.

Wereldhave mops up Rank's Belgian portfolio

THE RANK Organisation has sold its Belgian property portfolio to Wereldhave, the Dutch-based, international property investment group, for around £8.5m.

The deal, finalised yesterday but not yet announced, forms the latest step in Rank's bid to divest itself of assets and operations away from its mainstream activities.

In October, the group raised £68m by selling its UK property portfolio to John Ritblat's British Land. Its remaining, non-operational property assets are located principally in Canada and their disposal could follow shortly.

The Belgian sale also represents an important move for Wereldhave and will take the total value of its international property assets to around £280m at a time when prime investments in most major property markets are proving very hard to find.

It is understood that there are three properties involved in the sale, all of them fully occupied. They comprise 53 Avenue des Arts, a 54,000 sq ft office building in the heart of Brussels, a 65,000 sq ft office property at Place de la Monnaie, which incorporates a Habitat store, and the Nivelles shopping centre a few miles south of Brussels.

Wereldhave has been searching hard to find good property to soak up the cash allocated for new investment but has recently been forced to spend as much of its energy in fending off the unwanted attentions of PGGM, the Netherlands' largest pension fund.

PGGM has made two concerted attempts to win control of Wereldhave and, earlier this year, it went as far as the Court of Law in the Hague in an attempt to demand the annulment of an issue of preference shares by Wereldhave which was designed to ensure its continuing independence.

Battle

PGGM lost the battle but still retains around 40 per cent of the issued equity and, presumably, its wish to eventually win outright control.

Wereldhave, however, seems confident that it has some friendly stockholders on its side and that it can continue to go it alone. It is, in any case, pressing on with plans to raise the value of its international property investment portfolio from the mid-1983 level of DFl 1.1bn to DFl 1.5bn by 1990.

At present, property assets are split principally between the Netherlands (39 per cent) and the U.S. (31 per cent) with France, West Germany, Belgium and the UK accounting for the balance.

Medium-term plans should mean that the emphasis on new investment will be primarily in the U.S., where Wereldhave's major property assets are represented by three office buildings—two in New York and one in Los Angeles.

As for the UK, the Dutch group is, to say the least, still far from excited about prospects. Wereldhave's big push in Britain was in 1978 when it lost to Olympia and York in its takeover bid for English Property Corporation.

By 1980, it was threatening to pull out of the UK altogether if it could not expand its portfolio to a worthwhile size. But in 1981 the group announced the formation, with Cemp International Property Investments of Canada, of Canadian Dutch Properties, a new vehicle for development and investment in Europe.

The new partnership immediately began a £3m refurbishment of Dorset House, the 89,500 sq ft office building on the south bank of the Thames in London. The property did not let, however, until February this year when a rent of £10 a square foot—as opposed to the £12.50 a square foot asking price—was achieved.

The experience hardly represented an encouraging start and Wereldhave has only one other UK property asset, a 42,000 sq ft office building in London's Ebury Gate, which it owns outright. The group does not envisage any further UK deals in the foreseeable future, with low returns unlikely to encourage an increase in UK exposure.

There are some signs that Wereldhave's own domestic market is on the mend after a prolonged rough patch in which weak demand, empty space and generous tenant concessions have been widespread.

Around Holland, there are signs of increased letting activity, with companies finally taking decisions on space requirements which had been repeatedly postponed in expectation of an economic recovery.

The evidence is that Utrecht, where stringent planning controls have restricted office space, has performed best in recent months, with real rental growth achieved. The Hague has also been showing clear signs of an improvement in demand and now Rotterdam and Amsterdam are slowly following suit.

But the revival is a cautious one and it is clear that, despite some major lettings, many of the new deals will simply be releasing older space onto the market.

Amsterdam is certainly regaining a little of its old sparkle, with the south-east district notching up major lettings to help boost some badly-sagging confidence. In the latest development, IBM are reported to be taking the whole of the 270,000 sq ft first phase of the Holendrecht Centre, developed by Westland Utrecht, which has been temporarily occupying some of the space itself. A second phase could now start soon, though whether another speculative adventure is likely remains to be seen. Rent was thought to be around DFl 210 a sq metre against an asking price of DFl 225.

Over at the nearby World Trade Centre, due for completion next year, between 40 per cent and 50 per cent of the 50,000 sq metre complex is pre-let while the controversial Atlas Centre, the 70,000 sq metre office complex developed in one phase by PGGM, is said to be around half spoken for a year after its official opening. One of the biggest names to sign up space so far is Fokker.

Faith

There is even a shot in the arm for the centre of town, which has been steadily losing out to the newer development locations beyond the traditional city boundaries. The decision by the Dutch Central Bank to build a new 86,000 sq ft headquarters on Frederiks Plein is seen as an important gesture of faith in the future of the old city centre.

Neil Kennedy, senior partner for Jones Lang Wootton in Amsterdam, says the brighter picture is working its way through into the investment market, although the biggest problem is finding suitable buying opportunities. JLW has just acted for BOZ in the purchase and leaseback of a 108,000 sq ft office building at Buitenveldert, Amsterdam, involving one of the daughter organisations of Amro Bank, which will move out to new headquarters in five years' time. The rent is Fl 2.5m a year and the sale price was around Fl 28m.

Kennedy says funds simply cannot find properties in Holland—often only satisfying around one-third of their annual investment requirement—and with names like Rodamco back in the market after a long absence, the competition is getting even tougher.

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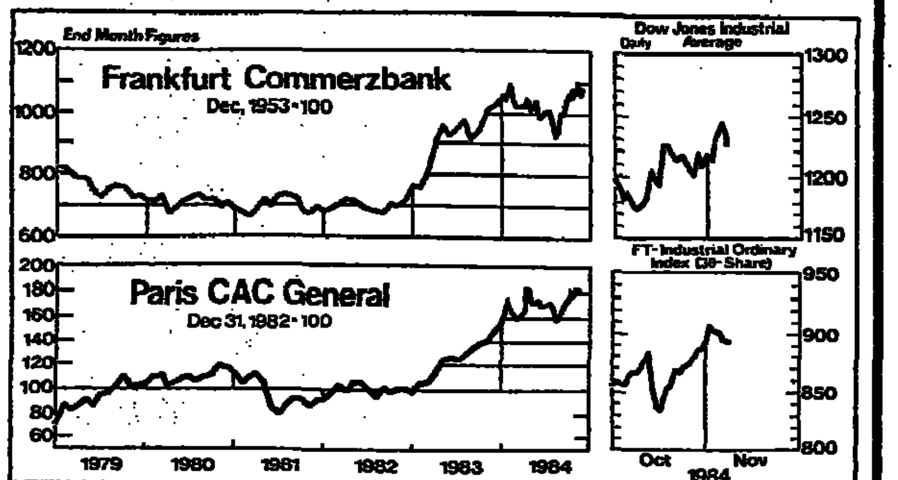
Australian wheat forecast is raised, Page 34

KEY MARKET MONITORS



STOCK MARKET INDICES

NEW YORK	Nov 8	Previous	Year ago
DJ Industrials	1,228.69	1,233.22	1,214.94
DJ Transport	535.22	537.37	585.86
DJ Utilities	146.13	146.18	136.71
S&P Composite	168.68	169.17	161.76
LONDON			
FT Ind Ord	893.0	894.1	720.6
FT-SE 100	1,158.3	1,157.3	965.2
FT-A All-share	546.94	546.86	449.97
FT-A 500	577.69	597.16	486.71
FT Gold mines	562.6	541.4	515.4
FT-A Long gilt	10.06	10.06	10.35
TOKYO			
Nikkei-Dow	11,166.92	11,178.54	9,319.26
Tokyo SE	850.61	853.98	682.97
AUSTRALIA			
All Ord.	779.1	777.7	700.3
Metals & Mins.	480.0	476.0	524.4
AUSTRIA			
Credit Aktien	57.75	57.87	54.25
BELGIUM			
Belgian SE	162.55	163.24	126.5
CANADA			
Toronto			
Metals & Mins	2,048.1	2,025.8	2,266.0
Composite	2,415.2	2,413.7	2,411.3
Montreal			
Portfolio	119.9	119.9	118.46
DENMARK			
Copenhagen SE	170.78	171.19	189.51
FRANCE			
CAC Gen	180.5	181.4	140.6
Ind. Tendence	118.5	119.0	88.8
WEST GERMANY			
FAZ-Aktien	371.79	370.44	335.1
Commerzbank	1,086.2	1,087.7	996.6
HONG KONG			
Hang Seng	1,052.65	1,046.03	873.05
ITALY			
Banca Comm.	210.78	211.19	184.78
NETHERLANDS			
ANP-CBS Gen	178.2	178.3	136.6
ANP-CBS Ind	139.8	140.4	109.8
NORWAY			
Oslo SE	277.94	284.86	191.82
SINGAPORE			
Straits Times	826.26	838.17	921.08
SOUTH AFRICA			
Golds	1,073.5	1,053.5	720.1
Industrials	897.7	894.8	867.0
SPAIN			
Madrid SE	138.76	140.35	128.97
SWEDEN			
J & P	1,419.98	1,422.78	1,395.21
SWITZERLAND			
Swiss Bank Ind	381.0	382.7	352.1
WORLD	Nov 7	Prev	Year ago
Capital Int'l	189.3	190.0	176.8

GOLD (per ounce)

	Nov 8	Prev
London	$347.50	$346.75
Frankfurt	$347.25	$348.00
Zürich	$347.75	$345.75
Paris (fixing)	$348.57	$350.64
Luxembourg (fixing)	$348.60	$346.25
New York (Dec)	$349.70	$352.50

* Latest available figure

CURRENCIES

(London)	U.S. DOLLAR Nov 8	Previous	STERLING Nov 8	Previous
$	–	–	1.2695	1.273
DM	2.941	2.935	3.7375	3.74
Yen	240.95	240.7	306.0	306.5
FFr	9.0285	9.01	11.4725	11.45
SwFr	2.4165	2.4145	3.0725	3.0725
Guilder	3.317	3.3165	4.21	4.20
Lira	1,834.5	1,830.0	2,329.0	2,324.0
BFr	59.5	59.35	75.575	75.40
C$	1.3142	1.3114	1.6665	1.669

INTEREST RATES

Euro-currencies (3-month offered rate)	Nov 8	Prev
£	10 1/16	10 1/16
SwFr	4⅞	4 13/16
DM	5⅞	5⅞
FFr	11⅝	11⅝
FT London Interbank fixing (offered rate)		
3-month U.S.$	9⅝	9⅝
6-month U.S.$	10	9⅞
U.S. Fed Funds	9⅝	9⅝
U.S. 3-month CDs	9.35	9.10
U.S. 3-month T-bills	8.73	8.66

U.S. BONDS

Treasury	Nov 8* Price	Yield	Prev Price	Yield
11⅝ 1986	101 5/32	10.22	101 13/32	10.80
12⅜ 1991	102 13/32	11.71	102 25/32	11.62
11¾ 1994	99⅛	11.79	n/a	11.70
12½ 2014	106 5/32	11.69	107⅜	11.62
Corporate	Nov 8*		Prev	
AT & T	Price	Yield	Price	Yield
10⅜ June 1990	93⅞	11.90	93⅞	11.90
3⅞ July 1990	71	10.85	71	10.85
8⅝ May 2000	76⅝	12.20	76⅝	12.20
Xerox				
10⅞ March 1993	92½	12.10	92½	12.10
Diamond Shamrock				
10⅜ May 1993	91½	12.25	91½	12.25
Federated Dept Stores				
10⅜ May 2013	85⅛	12.50	85½	12.50
Abbot Lab				
11.80 Feb 2013	93	12.70	93	12.70
Alcoa				
12½ Dec 2012	95⅛	12.85	95⅛	12.85

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT)				
8% 32nds of 100%				
Dec	70-07	70-20	70-04	70-28
U.S. Treasury Bills (IMM)				
$1m points of 100%				
Dec	91.24	91.31	91.15	91.32
Certificates of Deposit (IMM)				
$1m points of 100%				
Dec	90.40	90.47	90.33	90.48
LONDON				
Three-month Eurodollar				
$1m points of 100%				
Dec	90.05	90.06	89.95	90.15
20-year Notional Gilt				
£50,000 32nds of 100%				
Dec	109-08	109-18	109-01	109-24

COMMODITIES

(London)	Nov. 8	Prev
Silver (spot fixing)	605.50p	615.45p
Copper (cash)	£1,062.50	£1,084.50
Coffee (Nov)	£2,582.50	£2,510.00
Oil (spot Arabian light)	$28.40	$28.37

WALL STREET

Lacklustre response continues

THE DULL response by Wall Street to President Ronald Reagan's re-election continued yesterday, with stock prices stumbling in brisk trading while the government bond market sharply extended the falls of the previous session, *writes Terry Byland in New York.*

The session ended with a further weakening in fixed interest sectors as the bond market sensed an unhappy outcome to the day's auction of 30-year Treasury bonds.

The new bond, which replaces the existing key long bond, returned an auction yield of 11.83 per cent, the lowest since November 1983, but several basis points above the yield offered ahead of the auction in when-issued trading.

The *Dow Jones industrial* average steadied in the final hour to lose a net 4.53 points down at 1,228.69. Turnover was moderate, with 89m shares traded.

Mr Reagan's resounding success was still regarded as a bull factor for Wall Street. But some analysts, warning that the economic slowdown might hurt corporate profits in the final quarter, have lowered earnings estimates. The inability of the market to break through the 1,240 Dow level has also discouraged hopes of a post-election surge in stock prices.

In a dull oil sector, the feature, once again, was Tenneco, $⅛ up at $37¾ with a further 1.8m shares traded, mostly in one block. Tenneco stock is wanted for the dividend payment by the pension funds which are expected to sell the shares after the payment date, thus taking a tax loss against income.

Exxon at $44⅝ shed $⅝, Phillips Petroleum at $43½ gained $⅛ and Atlantic Richfield at $46⅝ lost $⅝. An exception to the trend was Chevron, $⅛ firmer at $33⅛.

AT&T edged $⅛ higher to $18⅞ with only 500,000 shares traded by midsession – a low figure for the widely held stock – after announcing a $2bn entry into light wave networks. IBM lost $⅞ to $124⅞, and Burroughs fell $⅞ to $55¼.

Control Data, which is considering selling its financial services divisions, major earners for the group, dipped $1½ to $36⅝.

Among the home computer makers, Tandy, operator of the Radio Shack retail chain, dipped $⅝ to $24½ after disappointing profit predictions. Hewlett-Packard stock made a delayed start, later trading $1¾ down at $35½ after reports that a brokerage analyst had lowered his profits forecast.

In a mixed motor sector, American Motors was $⅛ off at $4, with a 1m share block traded. Ford, which plans to buy in up to 10m shares, and also declared a bonus dividend yesterday, jumped $⅝ to $47¾.

The slide in money market and short-term rates was checked by an upturn in the federal funds rate. But, with the rate at 9⅝ per cent, the Federal Reserve came in with $1.5bn in customer repurchase arrangements, which followed two tranches in system repurchases within a week. Treasury bill rates put on five to eight basis points.

Views differed, however, on whether yesterday's Fed action could be regarded as positive proof that the board was easing credit policy.

Dr Loanard Santow, of Griggs and Santow, the credit market specialist, thought this unlikely. "This is a time of *the year when the Fed traditionally* needs to provide reserves," he said.

However, clearer evidence was expected later in the session when the Fed was due to publish its latest statistics.

The decision by more major banks to move an 11¾ per cent prime failed to inspire the credit markets, which believe a lower prime – perhaps as low as 11 per cent – is justified.

The bond market was disappointed by poor demand at Wednesday's auction of 10-year notes. It was also cautious ahead of the sale of 30-year Treasury bonds held at midsession and the M1 money supply figures later in the day. In the when-issued market, the yield on the new bond rose 10 basis points to 11.76 per cent ahead of the auction. The price for the exisiting key long bond fell 1 5/32 to 106 5/32.

LONDON

EXCELLENT results from Royal Dutch/Shell signposted a change of direction in London equity markets yesterday but proved insufficient to erase mid-morning losses. The FT Industrial Ordinary index, off an early 6.3 rallied to end 1.1 weaker at 893.0.

The oils sector saw Bryson add 15p to 100p, BP 10p firmer at 490p and Shell Transport advance 8p to 655p. Elsewhere, ICI turned 6p lower at 668p, and Dixons in stores put on 15p to 370p.

Gilt-edged investors paused for thought after their recent exertions while sharply lower overnight U.S. bond prices and sterling's inability to hold its best levels against the dollar prompted some profit-taking. Longs lost up to ¾ as shorts proved more resilient.

Chief price changes, Page 28; Details, Page 29; Share information service, Pages 30–31

AUSTRALIA

THE WEAKER U.S. dollar and higher *international metal prices provided the* impetus that Sydney investors were searching for, and mining stocks thus offered the main attraction in active trading. The All Ordinaries index rose 1.4 to 779.1 while the Metals and Minerals index added 4.0 to 480.0.

Elsewhere, Santos slipped 6 cents to A$6.40 ahead of the expiry of its bid today for Alliance Oil Development while National Australia Bank lost 3 cents to A$3.70 amid a 41 per cent surge in annual profits. News Corporation was steady at A$9.34 ahead of a static forecast for the current half.

SINGAPORE

A BROAD retreat took Singapore to a 20-month low as the Straits Times index fell 11.91 to 826.26 in what some brokers described as technically oversold trading.

In properties, Singapore Land hit a low for the year of S$2.86, a drop of 18 cents, while in hotels Shangri-La hit a 1984 low by sliding 13 cents to S$2.40.

Industrials were also hit hard. Boustead dropped 7 cents to S$1.78, Fraser & Neave lost 10 cents to S$5.10 and National Iron was 6 cents weaker at A$3.86.

SOUTH AFRICA

GOLD shares ended off their highs in Johannesburg, with many industrial issues tending firmer.

Randfontein finished at R221, a R9 rise, after touching R223.50 while Buffels closed R3.50 stronger at R81.50. Mining financials mirrored the advance in golds, with Anglo American Corp 10 cents up at R24.50.

Industrial leader Barlow Rand added 15 cents to R10.65, and Rennies, the shipping and hotels group, rose 10 cents to R12.85.

HONG KONG

SLOW TRADING developed in Hong Kong as investors sought post-election cues from Wall Street, and the Hang Seng index added 6.62 to 1,052.65.

China Light, fresh from reporting a 25 *per cent gain in 1984 profits,* added 70 cents to HK$16 while Hang Seng led a mixed banking sector with a 50-cent rise to HK$38.

EUROPE

Steady in absence of incentives

ANOTHER steady performance was seen on many of the European bourses, with operators finding few factors to prompt new investment strategies.

In **Frankfurt**, prices edged lower in thin trading, with the few buy orders failing to overcome the market's overall sluggishness. The Commerzbank index dipped 1.5 to 1,086.2.

Lufthansa – a candidate for the Government's privatisation plans – continued to find demand, rising to DM 185 at one stage before slipping back to end DM 1.50 higher on the day at DM 181.50.

In mostly lower banks, Deutsche Bank shed DM 4 to DM 378.50 after the 50 pfg rise seen on Wednesday when it took a stake in Morgan Grenfell of the UK.

Among motor manufacturers, BMW fell DM 4 to DM 374.50 despite its *expectations* of higher sales and output in 1984. VW dipped DM 1.50 to DM 195.50, Daimler DM 6 to DM 566.50 and Porsche DM 7 to DM 1,018.

In chemicals, Hoechst, which is to invest DM 65m to increase polypropylene film production, fell DM 1.90 to DM 177.50 while BASF, which is planning $150m of investments in its Brazilian subsidiary up to 1990, eased DM 1.80 to DM 168.70.

Mannesmann was unchanged at DM 154, and Metallgesellschaft added DM 2 to DM 218 as they announced plans to merge part of their pipe production operations in a new company.

Among electricals, Siemens eased DM 2.50 to DM 452.50 as it said it was to invest DM 230m in a new factory which would be completed in the mid-1990s and employ 600.

Bonds were mostly lower, depressed by the overnight U.S. market. The Bundesbank bought DM 27m of paper after sales totalling DM 15.8m the previous session.

A mixed performance was seen in **Amsterdam** although Royal Dutch added Fl 3.60 to Fl 171.50 following higher third-quarter results than expected.

Unilever was Fl 3.50 firmer at Fl 303, but Hoogovens dipped 20 cents to Fl 64.90.

Philips added 80 cents to Fl 55.40 as the market reassessed Wednesday's profits statement and the group's planned bond issue with warrants.

A fall in bond prices was seen as a technical reaction after their recent strength.

Scattered profit-taking in **Zurich** trimmed recent strong rises among some insurances although Swiss Re added SwFr 75 to SwFr 7,825, following its higher annual results.

Sulzer, the engineering concern, dipped SwFr 10 to SwFr 1,740 despite its higher order inflow and expectations of a considerably smaller loss for the current year.

Bonds continued higher, but gains were limited.

In **Paris**, shares eased, with a further rise of ¼ percentage point in the call money rate to 12 per cent dampening sentiment.

In constructions, Bouygues fell FFr 19 to FFr 646, more than wiping out the advance seen earlier in the week when the group forecast a higher 1984 net consolidated income.

Elsewhere, CFP rose FFr 3 to FFr 236 in reaction to its strong recovery in first-half earnings.

Another decline was seen in **Stockholm** prices although SCA, Sweden's *largest forestry concern, posted a* SKr 3 advance to SKr 120 in the wake of a seminar organised for potential investors.

Elsewhere, Pharmacia was unchanged at SKr 178 as the pharmaceuticals and biotechnology group announced continued strong growth in pre-tax profits for the nine months to September.

Brussels was marginally lower in moderate trading while in an easier **Milan**, insurer RAS, parts of which have been acquired by West Germany's Allianz, fell a further L1,000 to L53,700.

Madrid prices continued to slide ahead of today's public holiday.

TOKYO

Blue chips remain out of favour

THE COOL reaction displayed on Wall Street to President Ronald Reagan's re-election spurred investors to sell stocks in Tokyo yesterday, but prices recouped most of their losses toward the close, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei-Dow Jones average lost 75 points at one stage but closed only 11.62 lower at 11,166.92. A total of 357.72m shares changed hands compared with 363.98m the previous day. Losers outpaced gainers 446 to 274, with 152 issues unchanged.

Blue chips remained unpopular. Fears of renewed Japan-U.S. trade friction stopped investors from buying export-oriented issues among light electricals and precision instruments. Many lost ground under small-lot selling but recovered slightly toward the close on more active buying.

Hitachi dropped Y10 to Y860 having lost Y15 at one stage, while Fujitsu closed at Y1,390, off Y20, after a Y40 decline. Sony and Kyocera plunged Y90 to Y3,680 and Y7,260 respectively, and Canon shed Y30 to Y1,490.

Investors were prompted to sell blue chips, apparently because of continued selling by non-residents. Sell orders placed by foreign interests with the major brokerage houses in the morning totalled 24m shares, far outstripping buy orders for 12.5m.

A sharp rally by non-ferrous metals and oils late in the afternoon was the major contributor to the Dow's recovery. Mitsubishi Metal added Y27 to Y675 and Sumitomo Metal Mining Y40 to Y1,500. Toa Nenryo Kogyo spurted Y70 to Y1,230.

They were all lightly traded, and low and medium-priced incentive-backed issues were alone in attracting heavy trading. Meidensha Electric scored a daily limit increase of Y80 to Y450.

This triggered buying of Nippon Denko, which surged Y64 to Y619 and was the day's second busiest issue with 13.47m shares. Speculator interest pushed up Amano by a daily limit gain of Y300 to Y1,930, while Shintom jumped Y120 to Y1,340 on suggestions of a link with a foreign company.

Bond prices dropped sharply. A dip in U.S. long-term interest rates spurred several securities houses to unload their massive inventories at sacrificial prices.

A leading trust bank sold Y50bn worth of government bonds with about nine years to maturity, but they were quickly absorbed and had little impact on the market.

The yield on the barometer 7.3 per cent government bonds due in December 1993 soared from Wednesday's 6.645 per cent to 6.705 per cent.

CANADA

PERSISTENT weakness in golds and oil and gas issues weakened Toronto, and the firmness in base metal mining shares failed to shore up sentiment.

Banks provided a glimmer of hope in an otherwise dull Montreal where utilities shed some of their recent strength.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
23½	13¾	AAR	.48	2.2	19	97	21⅞	21½	21⅞	+ ⅛
30½	9⅝	AGS			8	313	12½	11¼	11¼	−1¼
22	13½	AMCA	[illegible]	15.5		2	15½	15½	15½	
18⅞	13⅞	AMF	.50	3.2	87	153	15¾	15½	15⅝	− ⅛
41¾	24⅛	AMR			5	2548	33¼	32⅞	32⅞	
20⅞	16⅛	AMR	pf2.18	11.		11	19⅝	19⅝	19⅝	
41½	27½	AMR	pf2.13	6.2		514	34½	34⅜	34½	+ ⅛
25¼	22⅝	ANR	pf2.67	11.		1	23¾	23¾	23¾	− ⅛
16⅞	8½	APL			4	149	12⅞	12⅝	12⅞	+ ⅜
69⅝	40¼	ARA	2.10	3.0	13	273	69¼	65½	66½	
69¾	44¼	ASA	3a	5.0		365	59¼	58⅞	59½	− ¼
30¼	16½	AVX	.32	1.7	11	279	19¼	19	19	− ¼
50½	36¼	AbtLab	1.20	2.8	13	2729	43	42⅞	42⅞	− ⅛
23⅞	16⅞	AccoWd	s		19	79	22⅞	22⅝	22⅞	− ⅛
27¼	12½	AcmeC	.40	2.6		101	15¾	15⅝	15¾	
12⅞	8¼	AcmeE	.32b	3.3	14	10	9¾	9⅝	9¾	+ ⅛
18⅞	15	AdaEx	2.11e	13.		193	15⅞	16⅝	16⅝	− ⅛
18⅞	11⅞	AdmMl	.28	1.8	8	22	16	15½	15¾	+ ⅛
22	13½	AdvSys	.81t	5.5	14	30	14¾	14⅝	14⅝	+ ⅛
41⅞	25⅛	AMD			14	4750	31⅝	30¾	31½	+ ½
14⅝	7⅞	Advest	.12	1.4		77	9⅛	8¾	8¾	− ¼
17⅞	9⅝	Aeflex			12	202	12⅞	12¼	12¾	+ ¼
39	27¼	AetnLf	2.64	7.4	30	700	36⅛	35½	35¾	− ⅛
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Continued on Page 27

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued on Page 28

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 26

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AUSTRIA

Nov. 8	Price Sch%	+ or −
Creditanstalt	216	......
Goesser	328	......
Interunfall	388	......
Laenderbank	215	......
Perlmooser	361	−3
Steyr-Daimler	153	−1
Veitscher Mag.	246	......

BELGIUM/LUXEMBOURG

Nov. 8	Price Frs.	+ or −
B.B.L.	1,805	−25
Bekaert B.	4,750	−50
Ciment CBR	2,635	−40
Cockerill	299	−1
Delhaize	5,900	−90
EBES	2,815	−15
Electrobel	6,780	−20
Fabrique Nat	2,250	..
GB Inno BM	3,160	170
GBL (Brux)	2,320	
Gevaert	3,605	+5
Hoboken	6,300	−20
Intercom	2,155	−20
Kredietbank	7,610	......
Pan Hldgs.	9,900	+50
Petrofina	7,310	+10
Royale Belge	10,000	
Soc. Gen. Banq	3,175	+5
Soc. Gen. Belge	1,845	+10
Sofina	8,320	−20
Solvay	4,460	−25
Stanwick Intl.	1,420	......
Tractionel.	4,200	−20
UCB	5,250	−50
Wagon Lits	2,580	−90

DENMARK

Nov. 8	Price Knr %	+ or −
Andelsbanken	279	+1
Baltic Skand	565	......
C.p.Handelsbank	279	......
D. Sukkerfab	550	+5
Danske Bank	274	−1
De Danske Luft	1050	......
East Asiatic	172	−2
Forenede Brygg.	790	......
Forenede Damp.	102	+1

GERMANY

Nov. 8	Price Dm.	+ or −
AEG-Telef	102.4	−0.1
Allianz Vers	1,061	−3
BASF	168.7	−1.8
Bayer	182	−2
Bayer-Hypo	311.5	+0.5
Bayer-Verein	325	−4
BHF-Bank	277	+2
BMW	374.5	−4
Brown Boveri	193.5	−4.5
Commerzbank	174.5	−0.8
Cont'l. Gummi	118.6	−1.9
Daimler-Benz	566.5	−6
Degussa	370	−1
D'sche Babcock	146	−7
Deutsche Bank	378.5	−4
Dresdner Bank	184.3	−0.6
GHH	159.5	+1.5
Hochtief.	470	−1
Hoechst	177.5	−1.9
Hoesch Werke	107.5	−1.5
Holzmann (P)	361	+9
Horten	184.1	−2.4
Hussel	290.5	−0.5
Karstadt	244	−4
Kaufhof	236.8	−2
KHD	250	−1.5
Kloeckner	74.5	−1.5
Linde	369.8	−0.4
Lufthansa	181.5	+1.5
MAN	157	+5.9
Mannesmann	154	......
Mercedes Hld	495.5	−4.3
Metallgesell	218	+2
Munech Rueck	1,150	−10
Nixdorf	533	......
Porsche	1,018	−7
Preussag	250	−3
Rhein West Elect	166	−1.5
Rosenthal	254.5	−1
Schering	400	−1
Siemens	452.5	−3.5
Thyssen	83	−1.2
Varta	172	−0.5
Veba	170	−0.9
V.E.W.	121	+1
Verein-West.	294	......
Volkswagen	195.5	−1.5

ITALY

NETHERLANDS

FRANCE

NORWAY

Nov. 8	Price Kroner	+ or −
Bergens Bank	160	−5
Borregaard	305	−15
Christiania Bank	160	......
DenNorske Cred	162	−5
Elkem	120	−6.5
Kvaerner	177.5	−1
Norsk Data	350	−10
Norsk Hydro	122.5xa	−3.5
Storebrand	197	−3

SPAIN

Nov. 8	Price Pta%	+ or −
Bco Bilbao	327	−4
Bco Central	334	−3
Bco Exterior	302	......
Bco Hispano	220	−5
Bco Popular	380	......
Bco Santander	326	−2
Dragados	148	−2
Hidrola	71.7	−2.5
Iberduero	80	−0.5
Petroleos	128.5	−3.5
Telefonica	95	..

SWEDEN

Nov. 8	Price Kronor	+ or −
AGA	353	......
Alfa-Laval	191	......
ASEA (Free)	371	......
Astra (Free)	365	−5
Atlas Copco	100	−1
Cardo (Free)	240	......
Cellulosa	120	+5
Electrolux B	226	−1
Ericsson	333	−1
Esselte	305	+25
Mo Och Domsjo	245	−3
Pharmacia	178	......
Saab Scania Free	470	......
Sandvik	380	−4
Skandia	305	−2
Skan Enski'da	54.5	−0.5
SKF	162	−1
St Kopparbergs	160	......
Sven Handlesbn.	183	+2
Swedish Match	248	−4
Volvo B (Free)	223	+2

SWITZERLAND

Nov. 8	Price Frs.	+ or −
Alusuisse	760	−10
Bank Leu	3,725	−25
Brown Boveri	1,375	−10
Ciba Geigy	2,510	−10
do. (Part Certs)	1,975	−5
Credit Suisse	2,310	−10
Elektrowatt	2,510	−20
Fischer (Geo.)	640	+10
Hoff-RochePtCts	91,750	−125
Hoff-Roche 1/10	9,150	−100
Jacobs Suchard	6,000	−50
Jelmoli	1,925	+5
Landis & Gyr	1,540	......
Nestle	5,330	......
Oer-Buehrle	1,335	......
Pirelli	267	−2
Sandoz (Br)	7,150	−150
Sandoz (PtCts)	1,130	+10
Schindler (PtCts)	635	−10
Sika	965	+5
Surveillance	3,750	......
Swissair	1,027	......
Swiss Bank	356	−2
Swiss Reinsce	7,825	+75
Swiss Volksbk	1,470	−15
Union Bank	3,485	−15
Winterthur	3,270	−25
Zurich Ins	18,000	−50

AUSTRALIA

Nov. 8	Price Aust $	+ or −
ANZ Group	5.38	......
Alliance Oil Dev.	1.05	+0.12
Ampol Pet.	1.85	+0.01
Ashton	0.88	+0.01
Aust Cons Ind.	1.96	−0.01
Aust. Guarantee	3.3	+0.05
Aust. Nat. Inds	2.65	−0.02
Aust. Paper	2.33	+0.01
Bell Group	5.5	......
Bell Res.	5	+0.25
Bond Corp Hldgs	1.72	+0.04
Boral	3.35	......
Bougainville	2.02	+0.02
Brambles Inds	3.5	−0.02
Bridge Oil	2.6	+0.05
B.H. Prop.	10.5	−0.05
CR	5.56	+0.04
CSR	3.15	......
Carlton Utd	4.30	......
Castlemaine Tys.	5.1	−0.06
Coles (G.J.)	4.2	+0.05
Comalco "A"	2.6	−0.08
Consolidated Pet	0.54	+0.01
Costain Aust	1.35	......
Dunlop Aust.	1.88	+0.01
Elders IXL	5.06	+0.04
Energ Res.	1.51	+0.01

AUSTRALIA (continued)

Nov. 8	Price Aust. $	+ or −
Gen Prop Trust	2.28	......
Hardie (James)	5.38	−0.04
Hartogen Energy	2.2	−0.05
Herald W'yTimes	4.55	−0.25
ICI Aust.	2.2	......
Jimberlana F.P.	0.45	−0.02
Kia Ora Gold	0.13	...
Lend Lease	5.56	−0.04
MIM	2.9	−0.05
Mayne Nickless	3.7	+0.08
Myer Emporium	1.83	......
Nat. Aust. Bank	3.7	−0.05
News	9.34	......
Nicholas Kiwi	5.1	......
North Bkn Hill.	2.44	+0.04
Oakbridge.	0.75	−0.01
Pancont'l	1.5	+0.01
Pioneer Conc.	1.64	−0.02
Poseidon	3.55	+0.15
Queensland Coal	1.17	......
Reckitt & Coln	3	+0.05
Repco	1.26	−0.01
Santos	6.4	−0.06
Smith (Howard)	4.05	+0.03
Thos. Natwide.	1.83	−0.03
Tooth	6.6	......
Vamgas	3.6	......
Western Mining	3.45	+0.07
Westpac Bank.	4.03	−0.03
Woodside Petrol.	1.2	......
Woolworths	2.73	−0.02
Wormald Intl	3.1	......

HONG KONG

Nov. 8	Price H.K.$	+ or −
Bank East Asia	21.9	−0.1
Cheung Kong	8.3	−0.05
China Light	16	+0.7
Evergo	1.48	−0.15
Hang Seng Bank.	38	+0.05
HK Electric	6.2	+0.1
HK Kowloon Wh.	4.25	......
HK Land	3.32	−0.03
HK Shanghai Bk.	6.65	−0.05
HK Telephone	44.75	+0.25
Hutchison Wpa	14.4	+0.1
Jardine Math	7.7	......
New World Dev.	4.02	......
Orient O'seas	2.6	......
Oseas Trust Bk	2.6	......
SHK Props	7.1	......
Shell Elect.	1.88	−0.17
Swire Pac A	19.4	−0.2
TV—B	4.82	−0.05
Wheel'k Mard A	3.68	......
Wheel'k M'time	1.46	......
World Int. Hldgs.	1.42	−0.01

JAPAN

Nov. 8	Price Yen	+ or −
Ajinomoto	1,100	−10
Alps Electric	2,030	−10
Amada	1,090	−10
Asahi Chem.	563	−8
Asahi Glass	808	−4
Bridgestone	559	−12
Canon	1,490	−30
Casio Comp.	1,620	+20
Chugai Pharm.	1,040	−20
Citizen	583	−3
Daiei	630	−10
Dai Nippon Ptg	1,000	......
Daiwa House	537	−4
Ebara	356	−7
Eisai	1,340	+20
Fanuc	10,950	−220
Fuji Bank	1,060	−40
Fuji Film	1,600	−30
Fujisawa	1,040	−20
Fujitsu	1,390	−20
Green Cross	1,660	−20
Hasegawa	360	......
Heiwa Real Est	574	−1
Hitachi	860	−10
Hitachi Credit	1,120	−30
Honda	1,250	−30
House Food	735	+15
Hoya	2,520	+80
Itoh (C)	292	+3
Ito. Yokado	2,450	......
Iwatsu	1,300	−60
JACCS	330	+5
JAL	5,110	−120
Jusco	770	+9
Kajima	280	+8
Kao Soap	775	−10
Kashiyama	630	......
Kirin	544	−8
Kokuyo	935	−10
Komatsu	435	−4
Konishiroku	572	−10
Kubota	316	−4
Kumagai	440	+3
Kyoto Ceramic	7,260	−90
Maeda Const.	465	+10
Muakino Milling	1,320	−20
Myakita	1,070	−10
Marubeni	303	−2
Marudai	605	−3
Marui	1,080	−20
MEI	1,600	−20
M'ta Elec Works.	628	−18
M'bishi Bank	1,050	......
M'bishi	510	−5
M'bishi Elec	404	−10
M'bishi Estate	493	−1

JAPAN (continued)

Nov. 8	Price Yen	+ or −
MHI	232	−5
Mitsui Co	325	......
Mitsui Estate	663	−32
Mitsukoshi	348	......
NGK Insulators	870	−5
Ninon Cement	202	......
Nippon Denso	1,460	−30
Nipphn Elect	1,250	−20
Nippon Express	330	−5
Nippon Gakki	1,370	+5
Nippon Kokan	136	−1
Nippon Oil	941	−31
Nippon Seiko	722	−18
Nippon Shimpan	557	−9
Nippon Steel	154	−2
Nippon Suisan	325	−3
NTV	13,020	−400
Nippon Yusen	224	−2
Nissan Motor	600	......
Nisshin Flour	485	......
Nisshin Steel	172	−1
Nomura	745	−15
Olympus	1,090	+10
Orient Leasing	3,510	−90
Pioneer	2,240	−20
Renown	637	......
Ricoh	1,000	−10
Sankyo	951	−24
Sanyo Elect	508	−3
Sapporo	392	−8
Sekisui Prefab	580	......
Seven-Eleven	8,790	......
Sharp	1,080	−30
Shimadzu	713	−7
Shionogi	695	−5
Shiseido	1,130	+10
Sony	3,680	−90
Stanley	975	−9
S'tomo Bank	1,260	−20
S'tomo Elect	920	−25
S'tomo Marine	547	+22
S'tomo Metal	149	−2
Taihei Dengyo	455	−1
Taisei Corp	196	−2
Taisho Pharm	934	−1
Takeda	800	−10
TDK	4,850	......
Teijin	396	−4
Teikoku	679	+1
Tokyo Marine	675	−9
TBS	845	−5
Tokyo Elect Pwr	1,310	......
Tokyo Gas	168	−2
Tokyo Sanyo	712	+2
Tokyo Style	760	−11
Tokyu Corp	277	−6
Toppan Print	897	−15
Toray	412	−1
Toshiba Elect	430	−9
TOTO	579	+1
Toyo Seikan	840	−10
Toyota Motor	1,300	......
Victor	1,900	−10
Wacoal	745	......
Yamaha	584	+0.9
Yamanouchi	1,850	−30
Yamazaki	713	+8
Yasuda Fire	329	−2
Yokogawa Bdge.	410	−1

SINGAPORE

Nov. 8	Price $	+ or −
Boustead Hldgs.	1.78	−0.07
Cold Storage	2.9	−0.02
DBS	5.85xa	−0.05
Genting	4.92	−0.08
Haw Par. Bros.	2.06	−0.01
Hong Leong Fin.	3.1	+0.02
Inchcape Bhd.	2.5	−0.06
Keppel Shipyard	2.79	......
Malay Banking	5.8	−0.05
Malay Utd. Ind.	2.36	−0.03
Multi Purpose	0.94	−0.02
OCBC	9.15	−0.1
OUB	3.92	−0.02
Public Bank	1.8	−0.05
Sime Darby	1.92	−0.05
Straits Trdg.	4.88	−0.1
Tat Lee Bk.	3.06	......
UOB	4.46	−0.02

SOUTH AFRICA

Nov. 8	Price Rand	+ or −
Abercom	1.5	+0.02
AE&CI	7.85	......
Anglo Am Coal	36.25	+0.25
Anglo Am Corp	24.5	+0.1
Anglo Am Gold	175	......
Barclays Bank	17.0	+0.5
Barlow Rand	10.65	+0.15
Buffels	81.5	+3.5
CNA Gallo	2.25	......
Currie Finance	4.05	......
De Beers	8.9	+0.15
Driefontein	54.75	+0.75
FS Geduld	61.0	+0.5
Gold Fields SA	50.5	+0.25
Highveld Steel	4.25	+0.05
Nedbank	12.15	+0.3
OK Bazaars	14.0	+0.25
Protea Hldns	1.55	......
Rembrandt	28.6	+0.1
Rennies	12.85	+0.1
Rust Plat	15.25	......
Sage Hldgs	7.10	......
SA Brews	6.4	−0.05
Smith (CG)	19.5	......
Tongaat Hulett	7.9	+0.3
Unisec	4.2	+0.05

OVER-THE-COUNTER *Nasdaq national market, closing prices*

CANADA

TORONTO

Closing prices November 8

MONTREAL

Closing prices November 8

LONDON

Chief price changes
(in pence unless otherwise indicated)

RISES

Brit & Comm	213	+ 9
DRG	160	+ 5
Dixons	370	+15
Greenall Whit	141	+ 6
House of Fraser	302	+ 6
Juliana's	200	+13
King & Shaxson	165	+ 5
Lep Group	182	+ 9
Lon Prov Shop	282	+19
Pilkington Bros	300	+ 5
Racal	278	+ 6
Tootal	62	+3½
Union Discount	715	+10
Vaux Brew	237	+ 9
Wiggins Group	51	+11
BP	490	+10
Bryson C & G	100	+15
Palliser Intl	37	+ 7
Petranol	250	+15
Shell Transp.	655	+ 8
Cons Gold	513	+11
G.M. Kalgoorlie	435	+25
Randfontein	£99	+5⅝

FALLS

Ex 10 89	£96⅞	−£⅞
Tr 14 98/01	£120⅝	−£⅝
Espley Trust	12	− 6
ICI	668	− 6
Lon. & Str Tst	153	− 9
Sketchley	396	− 8

Continued on Page 36

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 27

LONDON STOCK EXCHANGE

MARKET REPORT

Early downturn in equity leaders reversed after Royal Dutch/Shell results

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Oct 29	Nov 8	Nov 9	Nov 19
Nov 12	Nov 22	Nov 23	Dec 3
Nov 26	Dec 6	Dec 7	Dec 17

* "New-time" dealings may take place from 9.30 am two business days earlier.

Excellent corporate results from oil major Royal Dutch/Shell brought a change of direction in London equity markets yesterday. Prior to the early morning announcement of third-quarter profits which were well above best market estimates, leading shares had resumed this week's downturn. Dealers put the blame on Wall Street, where bond and equity values reacted sharply after the recent bout of election euphoria.

Blue chip industrials here opened several pence lower but little selling materialised and shortly after the Royal Dutch/Shell news leading shares began to recover. British Petroleum immediately followed Shell higher and later the Oil sector as a whole participated.

Views that equities might drift lower over the final two sessions of the trading Account were revised, and some institutional investors began to look for stock. The demand was highly selective and few constituents of the FT Industrial Ordinary share index managed above average movements. But firmness in BP, Distillers and Blue Circle enabled the index to reduce a mid-morning fall of 6.3 to one of only 1.1 at the close of 893.0. The FT-SE 100 share index closed 1.0 up at 1,158.3.

Gilt-edged investors paused for thought after their recent exertions. Sharply lower U.S. bond prices overnight and sterling's inability to hold its best levels against the dollar yesterday touched off some profit-taking but the sales were absorbed. Awaiting news of UK public expenditure, which is expected to be held close to target levels, interest was much lighter.

Quotations attempted a rally during the morning but the upturn failed to hold and longer-dated Gilts went easier again late to close with losses extending to ½. The shorts were more resilient because of interest rate hopes and settled only fractionally lower.

Discount Houses up

Press conclusions on the Bank of England's discussion paper on the gilt-edged market induced demand for Discount Houses. Although the best levels were not always held, Union closed with a gain of 10 at 715p, after 720p, while Gerrard and National put on 5 to 315p, after 318p. Cater Allen also improved 5 to 540p, while King and Shaxson, after the interim statement, rose the same amount to 165p. Among smaller-priced issues, Clive and Smith St Aubyn firmed a penny or two to the common level of 61p. Among merchant banks, Kleinwort Benson advanced 7 to 377p, but Hill Samuel softened a few pence to 290p; the latter's interim results are due today.

Commercial Union, down 10 the previous day following adverse comment, hardened a penny to 165p, the third-quarter results are scheduled for next Tuesday. Other Composites, however, drifted easier for want of support. General Accident lost 5 at 470p, while GRE declined the same amount to 625p. Life issues closed easier in places, unsettled by speculation that the Chancellor could impose stringent taxes on the pensions industry in next week's speech. Pearl gave up 7 at 890p.

In what has turned out to be a very good week so far for new issues, Gabicci, a designer and importer of mens fashion wear and Instem, an electrical group, continued the trend. The former, placed at 78p, opened at 86p and moved up to 92p prior to closing at 90p. Instem started at 160p and advanced to 166p compared with the placing price of 145p. Among other recently-issued equities, T. and S. Stores attracted fresh support in a market short of stock and gained 6 to 110p.

Interest in Breweries centred on selected Regional counters. Vaux continued to attract persistent demand and rose 9 for a two?day advance of 17 to 237p. Greenall Whitley also made progress and aded 6 more at 141p; the company has recently denied widespread speculation of the sale of its Arrowsmith holiday offshoot to Intasun. Llanelli-based Buckley's hardened the turn to 50p following the increased interim profits and dividend. Wines and Spirits featured a fresh bout of speculative excitement in Distillers, which rose 7 to 290p, after 291p.

Leading Buildings closed on an irregular note having been distinctly easier initially. Buyers took advantage of a slightly lower opening level in Blue Circle and the close was a net 7 up at 472p. BPB Industries, however, finished 5 off at 288p, after 283p, and Redland slipped 3 to 283p, after 280p; the latter's interim results are due on November 29. Elsewhere, recently-firm Meyer International encountered profit-taking and fell 7 to 136p, but SGB, helped by a broker's recommendation, moved up 8 to 126p. Revived speculative demand lifted Wiggins 11 to 51p; the group has recently entered into negotiations to realise a substantial part of its commercial and industrial property interests and details may be forthcoming at today's annual meeting.

Confirmation that the group is acquiring Coe Laboratories of the U.S. failed to help ICI which took its cue from Wall Street overnight and closed 6 cheaper at 668p, after 666p.

Dixons good again

An otherwise uneventful sesion among leading Retailers was enlivened by House of Fraser which advanced 6 to 302p in response to demand on hopes that the Al-Fayed family, which recently acquired Lonrho's near-30 per cent stake in Fraser, is preparing a full-scale bid. Dixons atracted renewed institutional interest and improved 15 more to 370p; takeover target Currys rose 10 to 497p—still a few pence above the rejected offer terms from Dixons. Grattan stood out among Mail-orders, rising 6 to 134p. In contrast, sellers held sway in Waring and Gillow, 4 lower at 119p, and in Home Charm, 5 cheaper at 208p.

Racal rose 6 to a new high for the year of 278p, but other Electricals attracted only a modicum of interest. Fading bid candidate, Thorn EMI, rallied from an initial dull level of 458p to close a penny firmer on balance at 465p. Elsewhere, BSR remained on offer and dropped to 137p before rallying to close only 2 off on the day at 143p. Amstrad cheapened 3 to 75p on the annual report, while falls of 5 and 10 respectively were seen in Lec Refrigeration, 275p, and CML Microsystems, 230p.

Interest in the Engineering sector remained at an extremely low ebb. Among the occasional movements, current bid favourite Birmid improved 3 to 82p. C. H. Bailey, also a speculative counter, rose 1½ to 26p. News of the Nigerian contract worth £5m failed to help Westland, which closed a penny easier at 139p.

Foods held up well despite a reduced business. Among the leaders, Associated Dairies managed a gain of 4 at 150p, while Unigate hardened a penny to 144p. Vague suggestions that Dalgety was contemplating a bid helped Rank Hovis McDougall firm 2 to 110p; Dalgety slipped 6 to 446p.

Ladbroke firmed 5 to 225p; on Wednesday, the group's Belgian subsidiary acquired Le Tierce SA, a chain of betting shops, for £28.6m. Savoy A attracted good support and rose 6 to 322p.

Lep group improve

Marked down initially following the overnight setback on Wall Street, most leading miscellaneous industrials rallied to close with minor losses on the session. Beecham, however, finished 5 down at 360p and Glaxo ½ cheaper at £10. Pilkington Bros., in contrast, staged a useful rally after recent weakness on a broker's downgraded profits estimate and regained 5 to 300p. Elsewhere, Lep Group responded to buying ahead of next Thursday's interim figures and rose 9 to 162p. Demand revived for Pentland Industries, 5 higher at 250p, and Wm. Baird which firmed 8 to 333p. Cookson, a good market, edged up 3 more to 420p following the announcement of the sale of two subsidiaries. Further consideration of the half-year statement took Shiloh up 4 to 45p, while Hoskins and Horton put on 8 to 259p awaiting further bid developments. Other bright spots included Gomme, 3 higher at 29p, and Fobel, 4 dearer at 44p, but Skeckley drifted off to close 5 down at 396p; the interim figures are due on November 21. Nightclub owners Juliana's rose 13 to 200p following a newsletter recommendation.

Dunlop hardened a penny to 29p following boardroom changes, including, as widely forecast, the appointment of former BL chairman Sir Michael Edwardes as chief executive. Elsewhere among Motor Components, Lucas eased a penny more to 224p in front of Monday's annual results, while AE remained lively and dipped to 98p on profit-taking before settling for a net loss of 3 at 100p. Bluemel gained the turn to 13½p on news that P. T. Sabrin now controls 28.95 per cent of the equity. Jaguar were also active, rising 5 to 215p as the management tabled a new offer in an attempt to end the current dispute. Among Distributors, Lex Service firmed 4 to 335p following a "buy" recommendation from brokers Phillips and Drew, but Hartwells, which recently announced encouraging interim figures, reacted to profit-taking and shed 4 to 65p.

John Waddington rose 17 in a thin market to 552p—52 above the unwelcome offer from Mr Robert Maxwell's British Printing and Communication—amid vague hopes that Lonrho, a penny cheaper at 162p, is set to enter the fray. Recent takeover candidate DRG responded to a fresh flurry of speculative support and touched 162p before settling a net 5 to the good at 160p.

Socandory issues provided the features in Properties. Good annual results lifted London and Provincial Shop Centres 19 to 282p, after 285p, but slightly disappointing interim profits left Churchbury Estates 5 off at 705p. USM-quoted Hardanger Properties attracted support and touched 180p prior to closing a net 8 up at 178p; the company has agreed terms for the acquisition of Eyre and Sons. Clarke Nickolls gained 8 to 155p and Speyhawk rose 6 afresh to 158p, the latter in a restricted market. In contrast, troubled construction group Espley Trust slumped to 8p before closing a net 6 down at 12p; dealers were sceptical of former chairman Mr Ron Shuck's "firm" bid of 35p per share for the company.

British and Commonwealth rose 9 to 213p; the 16 per cent interim dividend and encouraging remarks about second-half prospects outweighed news of the 16 per cent profits contraction. Associate concern, Caledonia Investments closed 8 higher at 203p, also after half-year results.

Among Textiles, Tootal rose 3½ to 62p following news of further share purchases by Entrad. Courtaulds, by way of contrast, remained depressed by a brokers' downgrading of profits and ran up 4 more to 126p. Yorklyde advanced 7 to 155p on the interim results.

London and Strathclyde Trust fell 9 to 153p on news that the bid discussions had been terminated.

Shell gain ground

Third quarter net income well in excess of the most optimistic market forecasts encouraged good support for Royal Dutch/Shell. Royal Dutch, after an initial decline to around £40, quickly advanced to £40⅞ before settling a net ¾ higher at £40⅞ while Shell improved to 660p prior to closing 8 firmer on balance at 655p.

Shell's impressive figures directed attention towards BP which advanced 10 to 490p ahead of that company's third quarter results scheduled for November 15.

Other strong performers in the sector included Petranol which rose 15 to 250p while Palliser International spurted 7 more to 37p—a two-day gain of 17.

Golds sharply higher

South African sectors of mining shares continued to forge ahead following another strong showing by the Rand against the dollar. The renewed strength in the bullion price was also a help and a general stock shortage led to sharp gains throughout Golds for the fifth successive trading day. The Gold Mines index jumped 21.2 more to 562.6.

Leading heavyweights provided a notable feature in Randfontein which surged ahead to touch £100½ before closing a net £5½ higher at £99, while other top-quality stocks were generally around a point firmer. Cheaper-priced issues were highlighted by Consolidated Modderfontein which jumped 42 to a year's best of 536p.

In UK-Financials, Consolidated Gold Fields closed 11 up at 513p after 518p, while RTZ continued to respond to persistent buying in a market short of stock and settled a further 3 up at 623p, after 627p.

Australians resumed their recent advance, but the best levels were not always held. Golds were particularly favoured and provided strong performers in Gold Mines of Kalgoorlie, which jumped 25 to 435p, Central Norseman Gold, 15 up at 373p, and Poseidon, 10 to the good at 240p.

Second-line golds were equally firm, Whim Creek advancing to close 8 up at 180p and Kitchener Mining ending 9 better at a year's high of 112p. In the leaders, gains ranging from 4 to 7 were common to CRA, 376p, Peko-Wallsend, 378p and Western Mining, 232p.

Total contracts transacted in Traded Options amounted to 5,465. The company's latest pay offer stimulated further demand for Jaguar which attracted 501 calls, while a lively and evenly-balanced trade developed in Racal with 394 calls and 564 puts done, most of the latter struck in the November 280s. Commercial Union, third-quarter figures expected next Tuesday, attracted 386 calls and 201 puts.

FINANCIAL TIMES STOCK INDICES

	Nov. 8	Nov. 7	Nov. 6	Nov. 5	Nov. 2	Nov. 1	Year ago
Government Secs.	82.62	83.09	82.64	82.64	83.28	81.36	83.55
Fixed Interest	85.42	85.50	85.33	84.88	84.38	[illegible]	85.27
Industrial Ord.	893.0	894.1	901.0	903.1	907.6	898.9	720.6
Gold Mines	562.6	541.4	535.9	524.9	504.2	493.5	515.4
Ord. Div. Yield	4.76	4.76	4.75	4.72	4.67	4.72	4.75
Earnings, Yld.% (full)	11.36	11.34	11.27	11.25	11.15	11.27	9.42
P/E Ratio (net) (*)	10.56	10.58	10.64	10.67	10.78	10.65	13.25
Total bargains (Est.)	21,063	21,042	21,272	18,507	19,446	19,725	18,895
Equity turnover £m.	—	512.61	315.39	260.26	385.81	317.53	274,417
Equity bargains	—	17,360	19,292	19,556	19,463	17,253	19,455
Shares traded (ml)	—	166.5	158.2	141.3	194.9	173.6	162.1

10 am 887.8. 11 am 887.8. Noon 889.8. 1 pm 891.7. 2 pm 893.2. 3 pm 893.3.

Basis 100 Govt. Secs. 15/2/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

* Nil = 10.14.

HIGHS AND LOWS / S.E. ACTIVITY

	1984 High	1984 Low	Since Compilat'n High	Since Compilat'n Low		Nov. 7	Nov. 6
Govt. Secs	83.77 (9/1)	75.72 (30/7)	127.4 (9/1/35)	49.48 (3/1/75)	Daily Gilt Edged Bargains	184.8	188.8
Fixed Int.	87.48 (14/3)	80.43 (30/7)	155.4 (28/11/47)	50.03 (31/1/75)	Equities Bargains	112.5	125.0
					Value	631.9	633.4
Ind. Ord.	922.8 (5/5)	755.3 (23/7)	922.8 (5/5/84)	49.4 (28/6/40)	5-day Average Gilt Edged Bargains	177.7	173.2
Gold Mines	711.7 (9/3)	485.7 (1/8)	734.7 (15/2/83)	43.5 (26/10/71)	Equities Bargains	120.4	121.0
					Value	642.6	646.1

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Thur Nov 8 1984 — Wed Nov 7 — Tues Nov 6 — Mon Nov 5 — Fri Nov 2 — Year ago (approx.)

FIXED INTEREST

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

NEW HIGHS AND LOWS FOR 1984

NEW HIGHS (49)

NEW LOWS (26)

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Nov 5	Nov 16	Feb 7	Feb 18
Nov 19	Nov 30	Feb 21	Mar 4
Dec 3	Dec 14	Mar 7	Mar 18

For rate indications see end of Share Information Service

Stocks favoured for the call included Commercial Union, Oliver Prospecting, Stylo, DRG, GRA, Johnson and Firth Brown, Anglo United, Lucas Industries and North Kalgurli. No puts were reported, but a double was taken out in ...Rowntree Mackintosh.

WEDNESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	2	86	18
Corpns, Dom. and Foreign Bonds	6	32	40
Industrials	199	333	880
Financial and Props.	60	179	289
Oils	34	29	83
Plantations	2	8	7
Mines	64	25	71
Others	48	57	73
Totals	435	779	1,439

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
BPCC	166	—
BP	490	+10
Cookson	420	+3
DRG	160	+5
Distillers	290	+7
Jaguar	215	+5
Lep Group	162	+9
Lon Prov Shop	282	+19
Palliser International	37	+7
Racal Electronics	278	+6
Royal Dutch	40⅞	+¾
Shell Transport	655	+8
Wiggins Group	51	+11

EUROPEAN OPTIONS EXCHANGE

TOTAL VOLUME IN CONTRACTS: 28,752

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Nov. 8. Total Contracts 5,465. Calls 3,523. Puts 2143.

* Underlying security price.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1984 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
105¾	101⅛	Treas. 15pc 1985	101⅝	.....	14.82	9.98
102¾	100	Exch. 12pc Cnv. '85	100¾	–⅛	11.91	9.85
96⅝	93⅞	Treas 3pc 1985	96⅛xd	.....	3.11	9.87
102⅝	99½	Treas 11½pc 1985	100¾	.....	11.41	10.13
99⅜	96⅞	Treas 8¾pcCnv '85	98¾	–⅛	8.85	10.07
104⅛	99¾	Exch. 12½pc 1985	102⅛xd	.....	12.01	10.13
103⅞	99⅛	Exch. 11¼pc '86	101⅞	–⅛	11.54	10.13
102⅝	96⅞	Treas. 10pcCnv 1986	99¾	.....	10.02	10.13
92¼	88¼	Treas 3pc 1986	92⅛xd	–⅛	3.26	8.59
102	96¾	Exch. 10½pc Cv '86	100⅛xd	–⅛	10.46	10.22
104⅞	99⅞	Treas 12pc 1986	102⅛xd	–⅛	11.72	10.35
98¼	93½	Treas 8¾pc 1984-86‡‡	97¼	–⅛	8.74	10.30
108⅝	102⅞	Exch. 14pc 1986	106⅛	–⅛	13.20	10.50
87⅞	85	Exch. 2½pc 1986	87⅛xd	.....	2.85	9.33
107⅞	100⅞	Exch. 13¼pc 1987	104⅞	–⅛	12.64	10.64
100¾	94⅞	Treas 10½pcCv '87	99⅛	.....	10.35	10.67
86⅞	83¾	Exch 2½pc 1987	86⅛	+⅛	2.91	9.38
101⅞	94½	Exch. 10½pc 1987	99⅞	–⅛	10.55	10.70
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Five to Fifteen Years

1984 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Over Fifteen Years

1984 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Undated

1984 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Index-Linked

1984 High	Low	Stock	Price £	+ or –	(1)	(2)
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base month for indexing, ie 8 months prior to issue. RPI for Feb., 1984: 344.0 and for September, 1984: 355.5.

INT. BANK AND O'SEAS GOVT STERLING ISSUES

1984 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CORPORATION LOANS

1984 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COMMONWEALTH AND AFRICAN LOANS

1984 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LOANS

Building Societies

1984 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Public Board and Ind.

1984 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Financial

1984 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FOREIGN BONDS & RAILS

1984 High	Low	Stock	Price £	+ or –	Div %	Red. Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMERICANS

1984 High	Low	Stock	Price £	+ or –	Div Gross	C'vr	Y'ld Gr's
38⅞	26⅞	Abbott Labs.‡	33½	–¼	$1.20	—	2.9
24⅝	11⅝	Ahmanson (H.F.)	23⅞	.....	$1.20	—	4.8
34⅝	27⅜	Alcoa $1	29⅞	–⅛	$1.20	—	3.3
39½	21⅝	Allied Corp $1	27½xd	–⅛	$1.80	—	5.3
18⅝	13⅝	Amax $1	15xd	–⅛	20c	—	1.1
21	731p	Amdahl 5c	846p	–26	20c	—	1.9
32	18⅝	Amer. Express $0.60	29	+¼	$1.28	—	3.6
20⅝	14⅝	Amer Medical Int $1	17⅝xd	–⅛	60c	—	2.7
31⅞	20⅝	Amer. Nat. Res. $1	29⅞	–⅛	$1.41	—	3.8
16⅝	10⅝	American T. & T. $1	14⅛	–⅛	$1.20	—	6.6
63⅞	43⅝	Ameritech $1	58	.....	$6.00	—	8.4
21½	15½	Amfact	18	.....	$1.44	—	5.5
30½p	16½p	¶ArldTech‡	30p	.....	—	—	—
16⅛	10⅝	Bankamerica $1.5	15½	+⅛	$1.52	—	7.9
44⅛	27½	Bankers N.Y. $10	42⅝	+⅛	$2.45	—	4.6
66⅛	46⅝	Bell Atlantic $1	63⅝	+⅛	$6.40	—	8.4
23⅞	19⅝	Bellsouth $1	25⅜xd	–⅛	$2.60	—	8.2
20⅞	12⅝	¶Beth Steel $8	14⅛	–⅛	60c	—	3.4
20⅝	11⅞	Bowater Inc.	17⅞	+⅛	72c	—	3.4
32⅛	19⅝	Brown'g-Fer. 16⅔c	22⅞	–⅛	96c	—	2.7
28⅛	16⅝	Brunswick Corpn.‡	27½	–⅛	80c	—	2.4
875p	534p	¶Business Computer	544p		—	—	—
32⅝	24⅛	CPC Intnl. 25c	31⅛xd	–⅛	$2.20	—	5.6
13⅛	10⅞	CalFed Inc $1.00	13	+⅛	32c	—	2.5
58½	39⅝	Campbell Soup 60c	54⅛	+⅛	$2.30	—	3.4
36½	24⅛	Caterpillar Tractor‡	25½	+⅛	50c	—	1.5
37⅛	27⅛	Chase M'hon $12.5	34½xd	–⅛	$3.65	—	8.6
26½	17⅛	Chemical New York	25⅛	.....	$2.36	—	7.6
31⅛	22⅞	Chesebrough-Pond's $1	29⅝	.....	$1.92	—	5.3
27⅛	15⅛	Chrysler $6¼	24⅝	–⅛	60c	—	2.0
31½	19⅞	Citicorp $4	28⅛	–⅛	$2.06	—	5.9
34⅞	21⅞	City Inc. $1.25	32⅝	+⅛	$2.00	—	5.3
22½	14⅝	Colgate-P. $1	20⅛xd	+⅛	$1.28	—	5.1
28	17	Cons. Foods $1⅓	26⅝	–⅛	$1.30	—	3.9
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CANADIANS

1984 High	Low	Stock	Price £	+ or –	Div Gross	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BANKS, HP AND LEASING

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Hire Purchase, Leasing, etc.

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BEERS, WINES AND SPIRITS

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BEERS, WINES—Cont.

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CHEMICALS, PLASTICS

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DRAPERY AND STORES

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DRAPERY & STORES—Cont.

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ELECTRICALS

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ENGINEERING

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ENGINEERING—Continued

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FOOD, GROCERIES, ETC

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

HOTELS AND CATERERS

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

HOTELS—Continued

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INDUSTRIALS (Miscel.)

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INDUSTRIALS—Continued

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INSURANCES

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LEISURE

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LEISURE—Continued

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Commercial Vehicles

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Components

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Garages and Distributors

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PAPER, PRINTING ADVERTISING

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PROPERTY

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PROPERTY—Continued

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SHIPPING

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SHOES AND LEATHER

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SOUTH AFRICANS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TEXTILES

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOBACCOS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INVESTMENT TRUSTS—Cont.

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Finance, Land, etc

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OIL AND GAS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OIL AND GAS—Continued

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OVERSEAS TRADERS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PLANTATIONS

Rubbers, Palm Oil

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Teas

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MINES

Central Rand

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Eastern Rand

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Far West Rand

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

O.F.S.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Finance

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Diamond and Platinum

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MINES—Continued

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
Central African							
290	145	Falcon Z50c	150xd	.....	Q100c	♦	38.9
17	8	Wankie Col. Z$1	9½	.....	—	—	—
21	14	Zam.Cpr.SBD0.24	14½	.....	—	—	—
Australians							
48	29	ACM 50c	46	.....	—	—	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tins							
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Miscellaneous							
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NOTES

[illegible]

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

[illegible]	[illegible]	[illegible]	[illegible]

OPTIONS — 3-month call rates

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Distillers	22	Racal Elect	18	Premier	6
Dunlop	5	RHM	8	Shell	55
FNFC	6½	Rank Org Ord	24	Tricentrol	20
Gen Accident	42	Reed Intnl	40	Ultramar	60
Gen Electric	16	Sears	8		
Glaxo	70	TI	22	**Mines**	
Grand Met	30	Tesco	16		
GUS 'A'	55	Thorn EMI	55	Charter Cons	26
Guardian	50	Trust Houses	18	Cons Gold	50
GKN	20	Turner Newall	10	Lonrho	12
Hanson Tst.	17	Unilever	75	Rio T Zinc	60

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 35

FT UNIT TRUST INFORMATION SERVICE

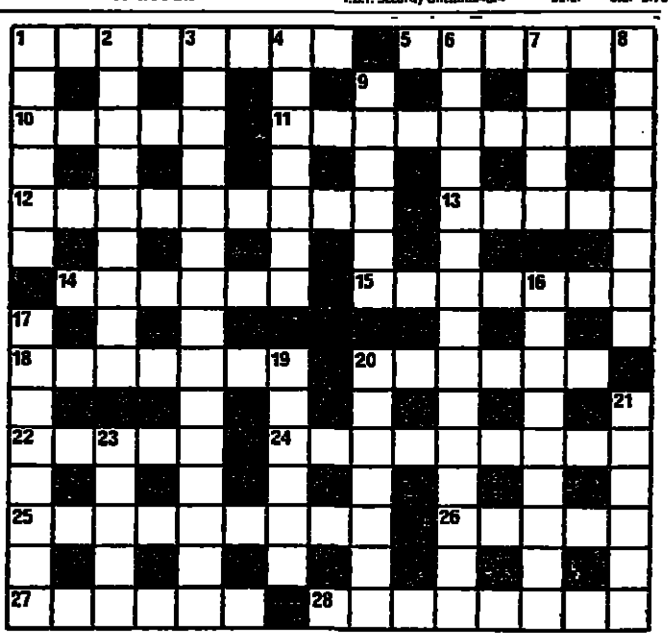
AUTHORISED UNIT TRUSTS

[illegible]

INSURANCES

[illegible]

F.T. CROSSWORD PUZZLE No. 5,565



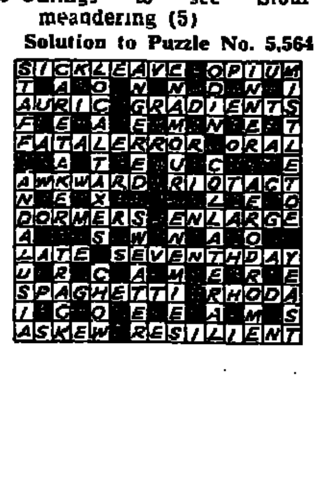
ACROSS

1 Team at the crest can still be beaten (4-4)
5 No direct sort of flight from Paris left (6)
10 Unpractised kind of chestnut (5)
11 Banger of mine—gone off, sans souci? (9)
12 Eye-catching chief? (9)
13 Unlawful delivery at end of airport (5)
14 Place to store treasure takes time for distinction (6)
15 Light-house inside former country in Africa (7)
18 King in garden-plot obscured (7)
20 Establishes cheer-leaders in political revolt (6)
22 Through, shortly, with bobby's first beat (5)
24 News—how it involves miners' leader (4-5)
25 Use hot-iron—use it with care, perhaps? (9)
26 Authentic married state (5)
27 Tries pieces of lamb, say (6)
28 Tie worn out approaching hot-spell (4-4)

DOWN

1 Scuffle on earth—graze results (6)
2 Shift also cited incorrectly (9)
3 Lifting before lighting-up? (8, 7)
4 Out of bed, brushed hair thus? (7)
6 e.g. Tint Newport Head riotously? (5, 3, 4, 3)
7 One getting up remains upright in flight . . . (5)
8 . . . upright for great distance south (8)
9 Thrown out "love you" in Spain (6)
16 Engineer or mate embracing Cockney wife (9)
17 Sort of race to make Coe blast? (8)
19 To make scotch, Duncansby Head is lit up (6)
20 Pupil get upset in rope tangle? (7)
21 Through with German licence (6)
23 Outings to see Stour meandering (5)

Solution to Puzzle No. 5,564



INSURANCE, OVERSEAS & MONEY FUNDS

OFFSHORE AND OVERSEAS

Midland Bank Tst Corp (Jersey) Ltd
28-34, Hill St, St Helier, Jersey. 0534 36281

MdBkOsGl	105.2	105.6xd	+0.2	11.36
MdBkIntBd	$1.07	1.08xd	....	7.41

Minerals, Oils Res Shrs Fd Inc
PO Box 194, St Helier, Jersey. 0534 27441

MoresNo8	$11.59	11.95xd	+0.60	3.35

Samuel Montagu Ldn Agents
114, Old Broad St, EC2. 01-628 3434

MtAmEq(Nz)	93.8	98.6xd	+0.3	5.32
MtJapInc(z)	66.4	69.8	−0.8	4.44
MonsGlInc(z)	50.0	52.7	+0.2	10.19
MntStRsN6	15 01	15.02	....	—
MtlnCrN6	£9 67	10.16	+0.27	—
MtStRNv6	£15.01	15.02	....	—
Ap Oc30	SF106.83	116.9	....	1.20
JpOc31	HK$43 94	47.55	....	0.10
117GpO31	$17.95	19.31	....	1.34
MtFRNtN7	$10.07	10.09xd	+0.02	—
USFIFNov6	$11.13	11.72	....	—

Murray Johnstone (Inv Adviser)
163, Hope St, Glasgow, C. 041-221 5521

HpeStNo6	$69.64	74.59	....	—
MurFdNv8	$19.58	20.65	....	—
PacFd Nov6	$4.10	4.38	....	—

NEL International Ltd
PO Box 119, St Peter Port, Guernsey, CI.

SterlingDep	76.5	80.6	....	—
SterlFxdInt	86.4	91.0	....	—
SterlingMan	84.5	102.7	....	—
IntlFxdInt	101.8	110.6	....	—
Intl Mangd	102.5	111.4	....	—

Nat Westminster Jersey Fd Mgrs Ltd
23/25 Broad St, St Helier, Jersey. 0534 70041

HbInFd(a)(b)	54.8	57.0xd	....	10.53
EqtyFd(a)(b)	97.8	104.0	−1.0	2.15
IntBdFd(a)*	78.7	81.0	....	8.84

*Sub day every Thurs.

County Bank Currency Fund (a)

Dollar Class	$22.9551	+0.0231	—

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

WwdeGthF	$11.82	— −0 02	—

Inv. Adv.: M&G Inv. Mngt. Ltd., London.

Wren Commodity Management Ltd
10, St George's St, Douglas, IoM. 0624 25015

Wren Com Fd	12.8	13.3	....	3.10
Chinese Fd	59.9	62.4	....	1.70
PrecMetlFd	122.6	127.7	....	8 30
VangCmdyFd	26.1	26.8	....	0.00
FinFuturesFd	32.1	33.4	....	—

Yamaichi Dynamic Mngt Co SA
10a, Boulevard Royal, Luxembourg.

DynmcGthF	$9.42	— −0.09	—

Money Market Trust Funds

	Nom	Apr	Int Cr	Notice
Mallinhall Ltd				
36 Berkeley Sq, W1X 5DA. 01-499 6634				
M'hallMnyFd	9.25	9.59	Qtr	Call
The Money Market Trust				
63 Qn Victoria St, EC4N 4ST. 01-236 0952				
Call Fund	10.41	10.75	6mth	Call
7-day Fund	10.40	10.73	6mth	7day
Oppenheimer Money Management Ltd				
66 Cannon St, EC4N 6AE. 01-236 1425				
Call Fund	10.38	10.64	6mth	Call
7-day Fund	10.00	10.25	6mth	7day
MnyMgAc	10.12	10.52	3mth	Call
Dollar	8.50	8.68	6mth	2day

Money Market Bank Accounts

	Nom	Apr	Int Cr	Notice
Aitken Hume				
30 City Road, EC1Y 2AY. 01-638 6070				
Treasury Acc	10.25	10.65	Qtr	Call
MainChAcc	10.125	10.61	Mth	Call
Bank of Scotland				
38 Threadneedle St, EC2P 2EH. 01-628 8060				
Cheque Acc	9.60	10.03	Mth	Call
Barclays Prime Account				
PO Box 125, Northampton. 0604 252891				
High Int Chq	9.75	10.11	Qtr	Call
Britannia Grp of Investment Companies				
29 Finsbury Circ, EC2M 5QL. 01-588 2777				
Cater Allen	9.75	10.108	Mth	Call
Charterhouse Japhet plc				
1 Paternoster Row, EC4M 7DH. 01-248 3999				
Sterling	10.00	10 47	Mth	Call
U.S. Dollar	9.50	10.06	Mth	Call
German Marks	5.0	5.19	Mth	Call
Swiss Francs	2.0	2.05	Mth	Call
Japanese Yen	5.0	5.19	Mth	Call
Choulartons				
30 Ashley Rd, Altrincham, Cheshire, WA1 2DW. 061-928 9011				
Cheque Acc	10.56	11.09	Mth	Call
Co-operative Bank				
78-80 Cornhill EC3. 01-626 6543 Ext 465				
Cheque&Save	8.00	8.24	Qtr	Call
Over £1,000	10.00	10.38	Qtr	Call
Dartington & Co Ltd				
Dartington, Totnes, Devon TQ9 6JE. 0803 862271				
MnyMktAcc	10.25	10.66	Qtr	Call
Lombard North Central plc				
17 Bruton St, W1A 3DH. 01-409 3434				
Notice Dep	10.50	10 78	Rate	14day
M & G Kleinwort Benson				
91-99 New London Rd, Chelmsford. 0245 51[illegible]				
HighInChqAc	10.12	10.65	Daily	Call
Midland Bank plc				
PO Box 2, Sheffield. 0742 20999 Ext 8738				
High Int Chq	9.50	9.84	Qtr	Call
Save & Prosper/Robert Fleming				
28 Western Rd, Romford RM1 3LB. 0708 66966				
High Int Chq	9.50	9.84	Qtr	Call
Premier Acc	9.535	10.00	Daily	Call
Tyndall & Co				
29-33 Princess Victoria Street, Bristol BS8 4BX. 0272 732241				
Demand Acc	9.90	10.29	Qtr	Call
Money Acc	10.125	10.51	Qtr	Chq/7
J. Henry Schroder Wagg & Co Ltd				
Enterprise House, Portsmouth. 0705 827733				
Special Acc	10.00	10.47	Mth	Call
Ovr£10,000	10.25	10.74	Mth	Call

NOTES—Interest rates given both as a nominal rate and an annual percentage rate adjusted for frequency of interest credit.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered prices includes all expenses if bought through managers. Z Previous day's price. * Guernsey gross. $ Suspended. ◆ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. @ Yield column shows annualised rates of NAV increase.

COMMODITIES AND AGRICULTURE

Settlement close in dispute over EEC butter scheme

BY IVO DAWNAY IN BRUSSELS

TRILATERAL TALKS among the EEC, New Zealand and Australia were believed last night to have all but resolved the row over the Community's scheme to sell old butter stocks to the Soviet Union at rock-bottom prices.

Two days of talks in Brussels have sought a formula that would allow the EEC to proceed with its plan without setting disturbing precedents under the rules of the General Agreement on Tariffs and Trade.

New Zealand had at first reacted angrily to the European Commission's disposal policy which would allow traders buying more than 50,000 tonnes of six-month-old butter to purchase equivalent quantities more than 18 months old at $450 (£353.50) a tonne.

As Gatt has fixed minimum prices for butter at $1,200 this move was viewed as undermining the world market and a clear breach ofthe regulations.

But the commission went some way to reconciling New Zealand when, in a statement last night, it stressed it was acting to meet a specific problem of high stocks and not making a change in sales policy of indefinite duration.

It is understood the Brussels talks have centred on how the EEC can dispose of other old butter, beyond the 100,000 tonnes allocated to the scheme, without again undermining international trading agreements.

Whether other countries, particularly the U.S., will approve the deal, however, will not be clear until Gatt's international dairy products council meets, probably next week.

Among the proposals for future sales are suggestions from New Zealand that old butter could be converted to butter oil.

The Commission is understood to have ben decidedly lukewarm, however, pointing out that this could undermine the internal EEC butter market and might provide an angry reaction from U.S. traders in vegetable oils.

Either way it appears certain that whatever the Gatt council findings, the EEC will proceed with its disposal scheme, because continued postponement would also delay plans to sell cheap butter to Community consumers at Christmas.

Potato price recovery 'unlikely'

THERE SEEMED little reason to expect any major recovery in futures or physical prices of UK potatoes in 1984-85, London trader Coley and Harper said in its market report.

It estimated there would be a surplus of about 631,000 tonnes. This is 40 per cent above the 448,000 tonnes the Potato Marketing Board has contracted to buy under its support programme.

The board estimated an all-variety yield this season of 36.3 tonnes per hectare on October 22, just below the record 36.5 tonnes of 1982-83.

It was agreed to take delivery of all 28,386 tonnes of potatoes it had contracted to buy in October, and the 82,198 tonnes under contract for November and December. It has also introduced a full-scale stockfeed disposal programme.

● LONDON trader Gill and Duffus has reduced its estimate of a 1984-85 world sugar surplus to 799,000 tonnes raw value from 2.9m tonnes forecast last month after a fall in projected world output, especially in India and the EEC.

● TWO JAPANESE companies have signed a Y65bn (£212m) contract with Chittagong Urea Fertiliser of Bangladesh to build a chemical fertiliser plant in Chittagong in about three years, Toyo Engineering Corporation (TEC) said in Tokyo.

● BANGLADESH TEA prices fell at this week's Chittagong auction which saw interest from *Egypt, Pakistan and the Soviet* Union, market sources said. Best orthodox brokens were sold at 62.50 taka per kg, down eight taka from the last sale, while best orthodox fannings were quoted at 64 taka, down 3.50.

● MALAYSIA HAS lowered the export duty on most grades of rubber to 1⅞ cents a kilo from 2¼.

Land prices face an uncertain future

Farmer's Viewpoint: by John Cherrington

WHEN THE European Commission imposed milk quotas on an unsuspecting farming industry last April many farmers imagined a consequence would almost certainly be a fall in land values.

There was a high degree of wishful thinking in this. Land prices over the past few years have been well above their economic level when set against the probable returns from ordinary forms of farming.

The time is past when one could buy a farm, borrow the money on the long term and farm it to make a profit. The last time that was possible was in the mid-1960s.

Many farmers, except those committed to buying high-priced land and struggling to keep up payments, have been hoping for a fall.

In the early summer it looked as though their hopes might be satisfied. There was a sudden surge in the number of farms offered for sale and the farming media must have gained an enormous benefit from the pages of advertising.

In spite of this, however, there were few indications of panic selling. Asking prices *seemed to me to be well up to* previous quotations.

There was one significant difference to the booming years. This was that far fewer farms were sold by auction, and quite a few of those were withdrawn from sale.

This is borne out by the latest report on land prices from the Agriculture Ministry, issued this week.

It shows land sales in the three months to the end of September last were at their lowest in total area for some years for the period, about half the average over the period for the past five years.

The average price received at £4,514 per hectare was about 11 per cent down on the £5,077 per hectare registered last April.

This combination of a reduced acreage sold and the drop in price could herald a reversal of the rising trend of land prices. At the moment, the number of farms on the market appears to be falling, as far as the advertisements in the press can be said to reflect those on offer.

Few vendors will try their luck now but would sooner wait until spring before risking the market.

There are, however, indications of changing circumstances which could materially affect the market.

The imposition of quotas undoubtedly affected dairy-farm sales. Under the UK implementation of the rules, the quota is attached to the farm. Apparently it cannot be leased or sold. If a dairy-farmer wishes to expand he has to buy land with a quota attached.

According to the latest ruling, the amount of land has to be compatible with the quota being transferred. A dairy-farm without a quota, that is one unsuited to other production, is not a very saleable property.

The other difficult area is in farms sold to the institutions—pension funds and so forth. These were strong in the market a few years ago. Now, however, they seem to be losing interest.

The reason probably is that they have taken the view that capital gains on the original purchase price look much less likely to show the growth of the past ten or 15 years, and that rents, too, could have reached a plateau.

The contraction of their interest, however, has been matched by the aggressive buying of farmers and those to whom amenity takes precedence over farming as a business.

Within easy distance of London, say 100 miles, and of other large towns, particularly in the southern half of Britain, amenity-buyers dominate the market for farms, farm cottages and even farm buildings for conversion.

Many farmers deplore this, largely because, even in a time of recession, the outsiders seem to have the resources to outbid them.

Where farmers dominate is in the market for the better farming land, often lacking the picturesque or amenity element. Most of them would like to farm a bit more land to spread their overheads and should the next-door farm come up for sale it would provide the chance of a lifetime.

Most owner-occupier farmers are ridiculously undergeared by *usual financial standards* and can find the resources to buy even high-priced marginal acreages to enlarge their holdings without risking their financial viability.

The course of land prices is difficult to predict. In France they have fallen by a third over the past three years. There, however, occupancy is controlled in favour of farmers.

In the U.S. high interest rates and low prices have caused many bankruptcies and land prices have fallen. So far Britain seems to be the odd man out in the land-price league, with its present high if stagnating levels.

These, however, are maintained by the two special factors of amenity and farmers' expansionism, based, I believe on a misplaced confidence in the future. Both these props could collapse one day.

Australian wheat forecast raised

Wheat Forecasters Pty (AWF) has raised its forecast for the 1984-85 (November-February) Australian wheat crop to 17.81m tonnes from last month's estimate of 17.40m tonnes, reports Reuters.

The private forecaster's prediction is higher than the current Australian Wheat Board forecast of 17.40m tonnes and compares with last season's record crop of 22.06m tonnes.

Wheat prospects started to deteriorate early last month with less than average rain in almost all states but there was widespread rain in late October and early November, AWF said.

AWF lifted its area estimate to 12.15m hectares from 12m hectares last month against 1983-84 plantings of 12.98m tonnes.

The late rains would more than compensate for frost damage in Queensland, New South Wales and Victoria, it said.

In Western Australia, rainfall last month was almost up to average in the important Midlands area and yield prospects improved in the southern areas which had been sown late.

AWF said the Australian locust plague remained a threat to late-maturing wheat crops over a wide area of southern New South Wales, Victoria and South Australia.

In Stockholm the Swedish Central Statistical Office said Sweden's grain harvest this year would be a record 6.8m tonnes, 300,000 tonnes above the 1974 bumper crop.

This compared with a harvest of 5.4m tonnes last year, it said. The report gave no classification for different types of grain.

Agricultural Board officials said the record harvest was still 300,000 tonnes lower than expected earlier because of unusually heavy rainfall this autumn.

● Wheat production in England and Wales is expected to total 14.38m tonnes this year, up from 10.45m tonnes last year, according to the latest estimate from the Agriculture Ministry.

The production area is put at 1.89m hectares, up from 1.65m *hectares, and the average yield* at 7.6 tonnes per hectare compared with 5.92 tonnes.

The ministry puts this year's England and Wales barley crop at 8.45m tonnes, up from 7.73m. Winter-sown barley is projected to account for 5.71 tonnes and spring-sown 2.74m tonnes. Last year the split was 4.53m tonnes to 3.2m between winter- and spring-sown barley.

Tea Council plan for generic advertising set back

THE UK TEA Council's plans to move the industry's generic advertising into a higher gear have suffered a setback with the cancellation this week of a meeting called to authorise an advertising test-programme for next year, writes Ian Hargreaves.

The meeting was cancelled at the last minute when the Indian Tea Board told the UK-based council it would not be represented at the meeting.

Delegates from Kenya, the other leading tea exporter to the UK, were already in London for the meeting when news of the Indian decision came through.

India's failure to send a representative is blamed on the recent departure from chairmanship of the Indian Tea Board of Mr Jagdish Khattar. Mr Khattar has not yet been replaced.

Council members were to have considered a proposal to spend next year more than £500,000 on a test advertising campaign, which some tea industry members believe would demonstrate the value of a major increase in generic tea advertising.

Mr Iltyd Lewis, executive director of the council, said: "Tea is at a critical stage in the market. It is under assault from coffee, which is outspending tea on a massive scale."

He said that this year total spending on coffee advertising would be about £27m, compared with under £20m for tea.

Tea has also been subject to a series of large retail price increases, following rises in the price of bulk tea, and there is concern it could suffer further and irreversible losses in market.

Tea council executives, however, have to contend with the fact that the UK tea marketing companies, which are heavily represented on the council, prefer brand advertising to generic advertising. Tea council generic advertising this year will amount to £350,000 only of the £20m spent by the industry.

There is also some debate within the council as to whether the tea producers should continue to bear the brunt of generic advertising spending, which they do in a ratio of three to one at present compared with the marketers.

PRICE CHANGES

In tonnes unless stated otherwise	Nov. 8 1984	+ or —	Month ago
Metals			
Aluminium	£1100	......	£1100
Free Mkt	$1230/1250	+15	$1240/1270
Copper			
Cash h Grade	£1082.5	—2	£1037.5
3 mths	£1107.25	—9.5	£1060.75
Cash Cathode	£1090	—2	£1040.5
3 mths	£1109	—0.5	£1059
Gold troy oz	$347.5	+0.75	$331.25
Lead Cash	£363	+5.5	£336.5
3 mths	£354.75	+4.5	£340.25
Nickel	£5868	......	£5833
Free Mkt	217/237c	+1	215/235c
Palladium oz	$147.75	—1.5	$140.25
Platinum oz	$336.25	+3.5	$321.50
Quick Silver†	$309/310	......	$302/310
Silver troy oz	605.50p	—9.95	580.80p
3 mths	619.75p	—11.30	595.50p
Tin cash	£9646	+12.5	£9630
3 mths	£9532.5	+16	£9572.5
Tungsten	$88.53	......	$85.67
Wolfram22 04lb	$80/84	......	$84/87
Zinc	£634.5	—4	£607
3 mths	£638.25	—3	£607.25
Producers	$900	......	$890/940

	Nov. 8 1984	+ or —	Month ago
Oils			
Coconut (Phil)	$1000w	—55	$1240
Groundnut	$890	......	‡
Linseed Crude	‡	......	‡
Palm Malayan	$645	—15	$625
Seeds			
Copra Phil	$600	......	$720
Soyabean(U.S.)	$260.5	+3.2	$250.5
Grains			
Barley Fut.Jan.	£109.05	—0.10	£110.80
Maize	‡	......	‡
Wheat Fut.Jan.	£111.15	—0.05	£110.30
No2 Hard Wint.	‡	......	‡
Other commodities			
Cocoa ship't*	£1963	+15	£1991
Futures Dec.	£1892.5	+15	£1910.5
Coffee Ft. Jan.	£2319.5	+38	£2283.5
Cotton A index	‡	......	72.50c
Gas Oil Dec.	$239.5	+0.75	$240.5
Rubber (kilo)	60p	+1	60p
Sugar (raw)	$124.5w	—3.5	$126
Woolt'ps 64s	470pKilo	......	467pkilo

‡ Unquoted. z Dec. x Dec-Jan. w Nov-Dec. † Per 75 lb flask. * Ghana cocoa. n Nominal. c Cents per pound.

LONDON OIL

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.35-28.45	+0.03
Dubai Fateh	27.40-27.55	+0.02
Arab Heavy	26.70-26.90	—0.05
North Sea (Forties)	27.80	—0.12
North Sea (Brent)	28.15-28.30	—0.05
African(BonnyLi'ht)	27.80-28.00	+0.08
Urals	28.05-28.15	—
PRODUCTS—North West Europe "cif" ($ per tonne)		
Premium gasoline	248-252	—1
Gas Oil	243-246	+2
Heavy fuel oil	181-184	—

GAS OIL FUTURES

Prices moved higher, supported by continued good demand in physicals, after opening a shade firmer. New York again put pressure on prices in the afternoon, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Nov.	236.00	+1.25	237.25-34.75
Dec.	239.50	+0.75	240.75-38.75
Jan.	240.00	+1.00	240.75-38.75
Feb.	238.00	+1.25	238.75-38.75
March.	234.00	+0.75	234.00
April	228.00	—0.25	231.00-28.50
May.	229.25	—0.25	229.50-29.25
June	228.50	+0.50	—
July	228.50	+0.50	—

Turnover: 2,985 (4,694) lots of 100 tonnes.

BRITISH COMMODITY PRICES

INDICES

FINANCIAL TIMES

Nov. 7	Nov. 6	M'th ago	Yearago
294.53	293.30	288.58	286.48

(Base: July 1 1952 = 100)

REUTERS

Nov. 8	Nov. 7	M'th ago	Yearago
1879.8	1880.4	1883.4	1894.4

Base: September 18 1931 = 100)

DOW JONES

Dow Jones	Nov. 7	Oct. 31	Month ago	Year ago
Spot	126.25	..	123.97	135.22
Fut	130.13	127.56	124.53	143.34

(Base: December 31 1974 = 100)

MOODY'S

Nov. 7	Oct. 31	M'th ago	Yearago
966.0	958.5	965.7	1010.4

(Base: December 31 1931 = 100)

India's curbs on tea exports to remain

By P. C. Mahanti in Calcutta

CONTRARY TO expectations the Indian Government is not revising the tea export ceiling of 215m kg and the restrictions on CTC (cut, tea and curl) tea exports are going to stay for 1984.

This is made clear in official clarification of changes in export policy, which permit the release of a further 15m kg to honour bilateral deals with several countries including the Soviet Union, Iraq and Poland but within the overall ceiling of 215m kg.

India's licensed tea exports till the first week of September totalled 190m kg, including 60m kg of CTC tea. The 15m kg now released, which will be of orthodox grades only, will take the total export figure to 205m kg.

The remaining 10m kg will be released to value added tea exporters.

An important change in the policy, however, is the introduction of a set of minimum export prices for bilateral commitments

These prices have reference to international tea prices today but in the absence of any announcement as to how the minimum prices are to be enforced at auctions there were no offerings of orthodox tea at this week's Calcutta auctions. According to reports, the same was the case in Cochin.

AMERICAN MARKETS

NEW YORK, November 8.

Gold and silver weakened in response to producer offers and on the strength of the dollar due to expectations that the Federal Reserve ... remained lacking. Cocoa was steadier on reports that Ivory Coast shipments are being held up. Coffee was mixed with nearbys benefiting from tightness in London. Cotton showed little change ...

GOLD MARKETS

EUROPEAN MARKETS

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Short covering boosts dollar

The dollar finished on a firm note in currency markets yesterday, having recovered from an easier start. Trading comprised a good deal of short covering as the market expressed fears that the recent decline in U.S. interest rates was unlikely to continue. Consequently the U.S. unit attracted renewed demand. Federal funds were trading at 9$\frac{1}{16}$ per cent compared with a rate of below 9 per cent earlier in the week.

There was little clear indication of the dollar's near term trend however and trading was patchy and untidy as a result. U.S. money supply figures due for release after the close of business in London were expected to show little change. With the recent U.S. Presidential elections attracting much of the limelight, there have been various comments regarding the size of the U.S. budget deficit and the attitude of the Federal authorities after the latest FOMC meeting. As a result there was very little agreement on how the dollar would perform for the rest of this year.

Yesterday it closed at DM 2.9410 from DM 2.9350 and SwFr 2.4165 from SwFr 2.4145. It was also higher against the yen at Y240.95 from Y240.70 and FFr 9.0285 compared with FFr 9.01. On Bank of England figures, its index rose to 138.2 from 137.7.

Sterling was slightly weaker overall, having performed quite strongly earlier in the day. The downturn was mostly a reflection of the dollar's recovery but nevertheless sterling retained a fairly strong undertone. Its index finished at 76.5 from 76.6. Against the dollar it slipped to \$1.2690-1.2700, a fall of 35 points. It was also weaker against the D-mark at DM 3.7375 from DM 3.74 and Y306.0 from Y306.50. It was unchanged against the Swiss franc at SwFr 3.0725 but improved against the French franc to FFr 11.4725 from FFr 11.4500.

D-MARK — Trading range against the dollar in 1984 is 3.1410 to 2.5535. October average 3.0676. Trade weighted index 129.9 against 124.0 six months ago.

The dollar was fixed at DM 2.9375 at yesterday's fixing in Frankfurt up from DM 2.9152 on Wednesday and there was no intervention by the Bundesbank. The dollar's firmer trend reflected markets fears of a slowdown in the recent decline in U.S. interest rates despite Wednesday's cut in U.S. prime rates.

Much will depend on the revised third quarter GNP figures. These are regarded as the best indication of the pace and direction of the U.S. economy. Elsewhere sterling rose to DM 3.7350 from DM 3.7170 and the Swiss franc was higher at DM 1.2170 from DM 1.2159. Within the EMS the French franc improved to DM 32.575 per FFr 100 from DM 32.56 while the Belgian franc dipped to DM 4.9450 per BFr 100 from DM 4.9460.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu November 8	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9008	45.0856	+0.41	+0.51	±1.5428
Danish Krone	8.14104	8.06969	−0.88	−0.78	±1.6421
German D-Mark	2.24184	2.23002	−0.53	−0.43	±1.1463
French Franc	6.87456	6.84511	−0.43	−0.33	±1.3659
Dutch Guilder	2.52595	2.51436	−0.46	−0.36	±1.5165
Irish Punt	0.72569	0.721457	−0.58	−0.48	±1.6671
Italian Lira	1403.49	1391.77	−0.84	−0.84	±4.0511

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

STERLING EXCHANGE RATE INDEX
(Bank of England)

	Nov 8	Previous
8.30 am	—	—
9.00 am	76.6	76.4
10.00 am	76.6	76.3
11.00 am	76.6	76.5
Noon	76.6	76.4
1.00 pm	76.6	76.5
2.00 pm	76.5	76.6
3.00 pm	76.5	76.6
4.00 pm	76.5	76.6

New York rates

	November 8	Prev. close
£ Spot	\$1.2645-1.2650	\$1.2795-1.2805
1 month	0.03pm-par	0.11-0.08 pm
3 months	0.01-0.05 dis	0.11-0.09 pm
12 months	0.80-0.90 dis	0.50-0.60 dis

Forward premiums and discounts apply to the U.S. dollar.

POUND SPOT—FORWARD AGAINST POUND

Nov 8	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.2660-1.2725	1.2690-1.2700	0.09-0.06c pm	0.70	0.09-0.05 pm	0.22
Canada	1.6655-1.6700	1.6660-1.6670	0.16-0.24c dis	−1.44	0.54-0.66dis	−1.44
Nethlnd.	4.1961-4.2200	4.2050-4.2150	1½-1¼c pm	4.63	4¼-4 pm	3.96
Belgium	75.29-75.65	75.50-75.65	par-5c dis	−0.39	7-15 dis	−0.58
Denmark	13.49-13.54	13.49¾-13.50¼	2¼-3¼ore dis	−2.44	7¾-8¾ dis	−2.42
Ireland	1.2065-1.2106	1.2075-1.2085	0.22-0.37c dis	−2.93	0.95-1.18dis	−3.52
W. Ger.	3.7232-3.7450	3.7370-3.7380	1½-1¼pf pm	4.81	4-3¾ pm	4.14
Portugal	199.50-203.70	199.80-202.95	175-500c dis	−20.14	550-1575dis	−21.64
Spain	208.10-210.20	209.20-209.40	50-70c dis	−3.44	180-215 dis	−3.77
Italy	2,321½-2,333¼	2,328½-2,329½	8-11 lire dis	−4.89	30-34 dis	−5.49
Norway	10.87-10.92	10.89¼-10.90¼	2¼-3¼ore dis	−3.16	7¼-8¼ dis	−2.71
France	11.43¼-11.49½	11.46¾-11.47¾	1¼-2c dis	−0.78	3¼-4½ dis	−1.36
Sweden	10.74¼-10.77	10.74¾-10.75¾	1¼-2ore dis	−1.95	4¾-5¾ dis	−2.00
Japan	305¼-308¼	306¼-308¼	1½-1¼y pm	3.92	2¼-2¾ pm	3.26
Austria	26.19-26.28	26.19-26.24	7¼-6¼gro pm	2.98	19¼-15¾ pm	2.57
Switz.	3.0611-3.0775	3.0720-3.0730	1½-1¼c pm	6.34	4¼-3¾ pm	5.20

Belgian rate is for convertible francs. Financial franc 76.00-76.10. Six-month forward dollar 1.90-1.60c pm, 12-month 3.10-2.70c pm.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Nov 8	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.2650-1.2725	1.2690-1.2700	0.09-0.06c pm	0.70	0.09-0.05 pm	0.22
Ireland†	1.0505-1.0520	1.0507-1.0517	0.37-0.27c pm	3.65	1.05-0.90 pm	3.71
Canada	1.3122-1.3148	1.3137-1.3147	0.22-0.25c dis	−2.14	0.52-0.57dis	−1.65
Nethlnd.	3.3020-3.3245	3.3165-3.3175	1.01-0.98c pm	3.78	3.13-3.10 pm	3.94
Belgium	59.26-59.59	59.45-59.55	5-6.5c dis	−1.15	13-16 dis	−0.97
Denmark	10.62½-10.64½	10.63½-10.64½	2.50-3.00ore dis	−3.10	4.75-5.25dis	−1.87
W. Ger.	2.9305-2.9485	2.9405-2.9415	0.98-0.93pf pm	3.89	2.92-2.87dis	−3.93
Portugal	159-160	158-160	150-400c dis	−20.88	450-1250dis	−21.31
Spain	165.15-165.25	165.15-165.25	50-60c dis	−3.99	160-170 dis	−4.01
Italy	1,830-1,838½	1,834-1,835	8.50-9.00 lire dis	−0.63	26-27 dis	−0.64
Norway	8.57-8.59	8.57½-8.58½	2.50-3.00ore dis	−3.84	7.00-7.50dis	−3.37
France	9.005-9.0500	9.0280-9.0290	0.95-1.05c dis	−1.36	3.00-3.40dis	−1.41
Sweden	8.45-8.48	8.47-8.48	1.70-2.20ore dis	−2.76	4.50-5.00dis	−2.24
Japan	240.65-241.35	240.90-241.00	0.70-0.65y pm	3.32	2.08-2.03 pm	3.41
Austria	20.62½-20.69½	20.68½-20.69½	4.40-3.60gro pm	2.40	13.00-11.00pm	2.32
Switz.	2.4100-2.4210	2.4160-2.4170	1.12-1.06c pm	5.41	3.03-2.97 pm	4.96

†UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 59.90-59.95.

OTHER CURRENCIES

Nov. 8	£	$		£ Note Rates
Argentina Peso	158.29-158.58	124.84-124.96	Austria	26.15-26.45
Australia Dollar	1.4670-1.4690	1.1574-1.1580	Belgium	[illegible]
Brazil Cruzeiro	[illegible]	2,648-2,6660	Denmark	13.45-13.59
Finland Markka	7.8192-7.8580	6.1700-6.1730	France	11.42-11.53
Greek Drachma	153.731-154.476	121.30-121.50	Germany	[illegible]
Hong Kong Dollar	9.9200-9.9300	7.8170-7.8200	Italy	2320-2350
Iran Rial	115.75	91.00	Japan	305-310
Kuwait Dinar (KD)	0.38035-0.38060	0.30010-0.30025	Netherlands	4.19-4.23
Luxembourg Fr.	75.50-75.65	59.45-59.55	Norway	10.84-10.95
Malaysia Dollar	3.0350-3.0410	2.3930-2.3960	Portugal	205-217
New Zealand Dlr.	2.5460-2.5540	2.0104-2.0148	Spain	209-216
Saudi Arab. Riyal	4.5115-4.5175	3.5595-3.5610	Sweden	10.69-10.80
Singapore Dollar	2.7210-2.7270	2.1440-2.1460	Switzerland	3.0550-3.0850
Sth African Rand	[illegible]	1.7513-1.7563	United States	[illegible]
U.A.E. Dirham	4.6540-4.6595	3.6720-3.6750	Yugoslavia	262-274

* Selling rates.

CURRENCY MOVEMENTS

Nov 8	Bank of England Index	Morgan Guaranty Changes %
Sterling	76.5	−14.0
U.S. dollar	138.2	+25.5
Canadian dollar	89.4	−5.8
Austrian schilling	112.8	+3.7
Belgian franc	89.2	−10.9
Danish Kroner	77.3	−5.6
Deutsche mark	122.9	+7.0
Swiss franc	143.4	+10.7
Guilder	112.5	+3.7
French franc	64.9	−14.5
Lira	46.6	−18.3
Yen	157.1	+12.8

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

Nov. 8	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.794586	0.586462
U.S. $	[illegible]	1.01016	0.758251
Canadian $	12.11	[illegible]	0.996588
Austria Sch.	4½	20.8679	15.6693
Belgian Fr.	11	60.0161	45.0856
Danish Kr.	7	10.7395	8.06969
D mark	4½	2.96726	2.23002
Guilder	5	3.34565	2.51436
French Fr.	9½	9.11124	6.84511
Lira	16½	1852.89	1391.77
Yen	5	243.044	182.701
Norwgn Kr.	8	8.66313	6.50466
Spanish Pta.	8	166.756	125.183
Swedish Kr.	8½	8.55939	6.43108
Swiss Fr.	4	2.43854	1.83346
Greek Drch.	20½	122.815	92.1275
Irish Punt	12½	0.961142	0.721457

*CS/SDR rate for November 7: 1.32705.

EXCHANGE CROSS RATES

Nov. 8	Pound Sterling	U.S. Dollar	Deutsche m'k	J'panese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.270	3.738	306.0	11.47	3.073	4.210	2329.	1.667	75.58
U.S. Dollar	0.788	1.	2.944	241.0	9.037	2.420	3.316	1835.	1.313	59.53
Deutschemark	0.268	0.340	1.	81.87	3.070	0.822	1.126	623.1	0.446	20.22
Japanese Yen 1,000	3.268	4.149	12.21	1000.	37.49	10.04	13.76	7611.	5.448	247.0
French Franc 10	0.872	1.107	3.258	266.7	10.	2.678	3.670	2030.	1.453	65.87
Swiss Franc	0.325	0.413	1.216	99.59	3.734	1.	1.370	758.0	0.542	24.60
Dutch Guilder	0.238	0.302	0.888	72.68	2.725	0.730	1.	553.2	0.396	17.95
Italian Lira 1,000	0.429	0.545	1.605	131.4	4.925	1.319	1.808	1000.	0.716	32.45
Canadian Dollar	0.600	0.762	2.243	183.6	6.884	1.844	2.526	1398.	1.	45.35
Belgian Franc 100	1.322	1.680	4.945	404.9	15.18	4.065	5.571	3082.	2.205	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Nov. 8	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short term	10⅜-10⅝	9⅝-9¾	11¼-11¾	5⅝-5¾	1⅛-1⅜	5⅝-5⅞	11½-11¾	15-16	11-11½	10⅞-11⅛	6⅛-6⅜	13-13½
7 days' notice	10⅜-10⅝	9⅜-9½	11¼-11¾	5⅝-5¾	1¼-1⅜	5⅛-5⅝	11-11¼	14¼-15¼	11-11½	10½-10⅝	6⅛-6⅜	13-13½
Month	10⅛-10⅜	9⅜-9½	10⅞-11⅛	5⅛-5¼	4⅛-4⅜	5⅛-5⅜	10⅞-11⅛	15-15½	10¾-11¼	10¼-10⅞	6⅛-6⅜	12½-13
Three months	10⅛-10⅜	9⅜-9⅝	11⅛-11⅜	5⅞-6⅛	4⅜-4⅝	5⅝-5⅞	11⅛-11⅜	15⅛-15⅝	10¾-11¼	10½-10⅞	6⅛-6⅜	12¼-12¾
Six months	10¼-10½	9½-10⅛	11⅜-11⅝	5⅞-6⅛	4⅛-4⅜	5⅝-5⅞	11⅜-11⅝	15⅜-15¾	10¾-11¼	10½-10⅞	6⅛-6⅜	12-12½
One year	10⅜-10⅝	10⅛-10⅝	12-12¼	6⅛-6⅜	4⅜-4⅝	5½-5⅞	12-12¼	15⅛-15⅝	11½-12	10¼-10⅝	6⅛-6⅜	11⅞-12⅜

Asian \$ (closing rates in Singapore): Short-term 9⅞-9¾ per cent; seven days 9⅞-9¾ per cent; one month 9½-9¾ per cent; three months 9½-9¾ per cent; six months 9⅞-10 per cent; one year 10⅛-10⅜ per cent. Long-term Eurodollars: two years 11¼-11½ per cent; three years 12-12¼ per cent; four years 12¼-12½ per cent; five years 12¼-12½ per cent nominal rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

FINANCIAL FUTURES

Further decline

There was a weaker tone to most contracts on the London International Financial Futures Exchange yesterday. Volume was reasonably encouraging, but dealers suggested there was little incentive to trade. U.S. Treasury bonds opened sharply lower at 70-15 for December delivery and fell to a low of 70-10, reflecting the weakness of the cash market in U.S. bonds overnight and disappointment at the U.S. Treasury's 10-year note auction, which failed to generate much retail interest. The December contract closed at 70-12 compared with 71-12 on Wednesday.

December Eurodollars also opened weak in anticipation of firmer U.S. interest rates at the beginning of a new statement period for the banks. The contract began at 90.01 and closed at 90.05 against 90.15 previously.

A slight easing of sterling against the dollar on the foreign exchanges and the decline of the U.S. bond market led to a weak opening for gilt futures. December delivery began at 109-11, and touched a low of 109-01, on a firmer Federal funds rate in New York, before finishing at 109-08 against 109-24 at the previous settlement.

Doubts about the level of Federal funds after the latest Federal Open Market Committee meeting was a major factor behind yesterday's confused trading, with dealers reporting hopes in the market of an early cut in the Federal Reserve discount rate.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%†

	Close	High	Low	Prev
Dec	90.05	90.08	89.95	90.15
March	89.58	89.62	89.48	89.71
June	89.18	89.19	89.07	89.31
Sept	88.78	88.81	88.74	88.91
Dec	88.45	—	—	88.59

Est volume 7,422 (5,316)
Previous day's open int 11,485 (11,337)
† Repriced

THREE-MONTH STERLING £250,000 points of 100%†

	Close	High	Low	Prev
Dec	90.12	90.18	90.11	90.21
March*	90.24	90.29	90.23	90.32
June*	90.08	90.12	90.06	90.14
Sept*	89.80	89.80	89.80	89.87
Dec*	89.63	—	—	89.70

Est volume 1,762 (2,164)
Previous day's open int 6,574 (6,294)
* £500,000 points of 100%. † Repriced

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
Dec	109-08	109-11	109-01	109-24
March	108-19	—	—	109-03
June	108-06	—	—	108-24
Sept	[illegible]	—	—	[illegible]

Est volume 2,996 (4,440)
Previous day's open int 2,944 (2,638)
Basis quote (clean cash price of 13¼% Treasury 2003 less equivalent price of near futures contract) 02 to 10 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
Dec	1.2695	1.2715	1.2668	1.2725
March	1.2720	1.2715	1.2700	1.2728
June	1.2720	1.2720	1.2722	1.2743

Est volume 1,040 (2,064)
Previous day's open int 8,332 (8,697)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
Dec	0.3412	0.3418	0.3403	0.3427
March	0.3445	—	—	0.3460

Est volume 586 (165)
Previous day's open int 381 (386)

FT-SE 100 INDEX £25 per full index point

	Close	High	Low	Prev
Dec	116.05	116.40	115.30	115.85
March	116.15	116.15	116.10	[illegible]

Est volume 219 (337)
Previous day's open int 817 (789)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
Dec	0.4151	—	—	0.4171

Est volume nil (nil)
Previous day's open int 544 (544)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
Dec	0.4162	—	—	0.4169

Est volume nil (43)
Previous day's open int 402 (395)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	70-08	70-20	70-08	70-29
March	69-17	69-28	69-17	70-04
June	68-30	69-08	68-29	69-16
Sept	68-12	68-20	68-12	68-30
Dec	67-29	68-05	67-27	68-15
March	67-15	67-23	67-15	68-02
June	67-05	67-08	67-05	67-23
Sept	—	—	—	—
Dec	—	—	—	67-04
March	—	—	—	66-27
June	—	—	—	66-19

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	91.23	91.27	91.15	91.32
March	90.73	90.78	90.66	90.84
June	90.35	90.39	90.28	90.46
Sept	89.99	90.03	89.92	90.10
Dec	89.65	89.71	89.58	89.77
March	89.37	89.39	89.28	89.46
June	89.04	89.05	88.99	89.16
Sept	88.75	88.75	88.70	88.84

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	90.45	90.48	90.33	90.58
March	89.90	89.96	89.84	90.00
June	89.50	89.52	89.45	89.60

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	90.00	90.04	89.94	90.10
March	89.51	89.57	89.45	89.61
June	89.11	89.16	89.05	89.18
Sept	88.72	88.77	88.64	88.76
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	87.98	[illegible]	[illegible]	[illegible]
June	87.65	[illegible]	[illegible]	[illegible]
Sept	87.32	[illegible]	[illegible]	[illegible]

STERLING (IMM) $e per £

	Latest	High	Low	Prev
Dec	1.2670	1.2710	1.2660	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	1.2730	—	[illegible]	[illegible]

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	67-21	67-28	67-21	67-31
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]

U.S. TREASURY BONDS $100,000 32nds of 100%

	Close	High	Low	Prev
Dec	70-12	70-20	70-10	71-12
March	69-21	—	—	70-21

Est volume 1,713 (1,411)
Previous day's open int 2,438 (2,432)

MONEY MARKETS

London rates slightly firmer

Interest rates were slightly firmer on the London money market yesterday. Conditions were fairly quiet, however, and dealers described it as a dull day.

There is something of a stalemate in the market at present, with the discount houses reluctant to sell too much paper outright to the authorities, but the Bank of England also declining to provide any more repurchase agreements.

The market appears to believe another cut in clearing bank base rates is in the offing, but this may have to wait until nearer the time of the British Telecom share offer on November 28.

This is leading to nervous and uncertain conditions, and is having the net effect of keeping day-to-day money rates firm, since the standoff between the central bank and the market means that in general insufficient help is being provided to relieve the total shortage.

This in turn is encouraging some houses to sell bills outright because of the relatively high cost of borrowing to run the paper on.

In these rather confused conditions three-month interbank rose to 10$\frac{1}{16}$ per cent from 9$\frac{15}{16}$ per cent, and discount houses buying rates for three-month eligible bank bills to 9 33-64ths per cent from 9½ per cent.

The Bank of England forecast a money market shortage of around £400m and provided help of £340m. Before lunch the authorities bought £230m bills outright, by way of £49m bills in band 2 (15-33 days) at 9⅞ per cent; £90m bank bills in band 3 (34-63 days) at 9⅝ per cent; and £91m bank bills in band 4 (64-91 days) at 9⅝ per cent.

In the afternoon the Bank of England purchased another £80m bills through £49m bank bills in band 2 at 9⅞ per cent; £20m bank bills in band 3 at 9¾ per cent; and £11m bank bills in band 4 at 9⅝ per cent.

Late assistance of £30m was also provided.

Bills maturing in official hands, repayment of late assistance and take-up of Treasury bills drained £253m, while Exchequer transactions absorbed £185m and a rise in the note circulation another £25m. These outweighed above target bank balances adding £75m to liquidity.

UK clearing banks' base lending rate 10 per cent (since November 7)

MONEY RATES

Nov. 8	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.45-5.55	12	1⅛-1⅜	5⅝-5¾	6.09375	16⅞-17¼	10.25	13¼-13½
One month	5.60-5.70	10⅞-11⅛	4-4⅛	5⅞-5⅞	6.21875	16⅞-17½	10-10⅛	13⅝-13⅝
Two months	5.90-6.05	10⅞-10⅞	—	—	—	—	—	13⅝-13⅝
Three months	5.90-6.05	10⅞-10⅞	4⅛-4⅜	5⅞-6	6.34375	17⅛-17½	10⅜-10⅞	13⅛-13¾
Six months	5.90-6.05	10½-10½	—	6-6⅛	—	—	10⅛-12	13½-13¾
Lombard	5.5	—	—	—	—	—	—	—
Intervention	—	11	—	5¾	—	—	—	—

LONDON MONEY RATES — Discount Houses Deposit and Bill Rates

Nov. 8 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	9½-10⅝	10⅜-10½	10-10⅝	9-10⅛	—	—	—	—	—
2 days notice	—	—	10⅛-10⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	10¼-10¾	10	10⅝-10⅝	10-10¼	—	—	—	—	—
One month	10$\frac{1}{16}$-10$\frac{1}{16}$	10¼-10⅝	10⅛	10½	10	9⅞	9⅞	9⅞	9⅞	10⅛
Two months	10$\frac{1}{16}$-10	10$\frac{1}{16}$-10$\frac{1}{16}$	10⅛	10⅛	9⅞-9¾	9⅞	9⅞	9$\frac{21}{32}$-9½	9$\frac{21}{32}$-9$\frac{9}{16}$	10⅛
Three months	10.97⅞	10-10⅛	10⅛	10¼	9½	9½-9⅞	9$\frac{15}{32}$-9$\frac{13}{32}$	9-9⅞	9⅞	10⅛
Six months	9⅞-9½	10-10⅛	10⅛	—	—	—	—	9⅜-9⅞	9$\frac{17}{32}$-9⅜	9⅛
Nine months	9⅞-9$\frac{11}{16}$	10-10$\frac{1}{16}$	—	—	—	—	—	—	—	—
One year	9$\frac{15}{16}$-9$\frac{13}{16}$	10-10$\frac{1}{16}$	10$\frac{1}{16}$	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	10¼-10⅛	—	10¼	9.35-9.45	8$\frac{13}{16}$-8$\frac{11}{16}$	9⅛-9$\frac{5}{16}$
Two months	10⅝-10⅛	—	10$\frac{5}{16}$	9.4-9.5	8$\frac{15}{16}$-8$\frac{11}{16}$	9$\frac{5}{16}$-9⅛
Three months	10⅛-10¼	—	10⅛	9.5-9.6	8⅝-8⅞	9⅝-9$\frac{11}{16}$
Six months	10⅛-9⅞	—	10⅛	9.75-9.85	8$\frac{11}{16}$-8⅞	9$\frac{11}{16}$-9$\frac{13}{16}$
Nine months	10⅜-10⅛	—	10⅛	9.9-10.1	—	—
One year	10⅝-10⅛	—	10⅛	10.2-10.4	9$\frac{5}{16}$-9$\frac{9}{16}$	10-10$\frac{1}{16}$
Two years	—	10½	—	—	—	—
Three years	—	10⅞	—	—	—	—
Four years	—	11⅛	—	—	—	—
Five years	—	11	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV: Average Rate of Interest period October 3 to November 6 1984 (inclusive): 10.616 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association). 11 per cent from November 1 1984. London and Scottish Clearing Bank Rates for lending 10½ per cent. London Deposit Rates for sums at seven days' notice 7¼-7½ per cent. Treasury Bills: Average tender rates of discount 9.5629 per cent. Certificates of Tax Deposit (Series 6): Deposit £100,000 and over held under one month 10½ per cent; one-three months 10¾ per cent; three-six months 10¾ per cent; six-nine months 10¾ per cent; nine-12 months 10¾ per cent. Under £100,000 9¾ per cent from November 7. Deposits held under Series 5 10¾ per cent. The rate for all deposits withdrawn for cash 7 per cent.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	11¾-12
Broker loan rate	10-11
Fed funds	9⅝
Fed funds at intervention	9⅝

Treasury Bills

One month	7.80
Two month	8.40
Three month	8.54
Six month	8.87
One year	9.08

Treasury Bonds

Two year	101¼
Three year	99$\frac{21}{32}$
Four year	100$\frac{1}{32}$
Five year	104⅞
Seven year	102⅞
10 year	98⅞
30 year	106$\frac{7}{32}$

FT LONDON INTERBANK FIXING

(11.00 a.m. November 8)

3 months U.S. dollars

bid 9 5/8 | offer 9 3/4

6 months U.S. dollars

bid 9 7/8 | offer 10

The fixing rates are the arithmetic means, rounded to the nearest one sixteenth, of the bid and offered rates for \$10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

WORLD VALUE OF THE DOLLAR

BANK OF AMERICA NT & SA, ECONOMICS DEPARTMENT, LONDON

The Table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, November 7, 1984. The Exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT & SA does not undertake to trade in all listed foreign Times assume responsibility for errors.

Financial Times assume responsibility for errors.

Bank of America, Economics Dept., E.M.E.A. London
Eurodollar Libor as of November 7 at 11 a.m.
3 months: 9⅞ 6 months: 9⅞

ECU=\$US.763317 SDR1=\$US1.0118
Sibor as of November 7 at 11.00 am.
3 months: 9$\frac{11}{16}$ 6 months: 9$\frac{15}{16}$

COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan	Afghani (O)	50.60
Albania	Lek	7.929
Algeria	Dinar	5.0375
Andorra	Fr. Franc	8.965
	Sp. Peseta	164.30
Angola	Kwanza	29.918
Antigua	E. Caribbean $	2.70
Argentina	New Peso (o)	122.95
Australia	Dollar	1.1574
Austria	Schilling	20.53
Azores	Port. Escudo	160.00
Bahamas	Dollar	1.00
Bahrain	Dinar	0.3769
Balearic Is	Sp. Peseta	164.30
Bangladesh	Taka	25.50
Barbados	Dollar	2.0113
Belgium	Franc (C)	59.01
	Franc (F)	59.505
Belize	Dollar	2.00
Benin	C.F.A. Franc	448.25
Bermuda	Dollar	1.00
Bhutan	Ind. Rupee	11.93
Bolivia	Peso (o)	5000.00
	Peso (d)	15100
Botswana	Pula	1.4524
Brazil	Cruzeiro (o)	2615.50
Brunei	Dollar	2.148
Bulgaria	Lev	1.032
Burkina Faso	C.F.A. Franc	448.25
Burma	Kyat	8.4093
Burundi	Franc	121.268
Cameroun Rp.	C.F.A. Franc	448.25
Canada	Dollar	1.3096
Canary Is	Sp. Peseta	164.30
Cape Verde Is	Escudo	89.2698
Cayman Is	Dollar	0.835
Cen. Africa Rep	C.F.A. Franc	448.25
Chad	C.F.A. Franc	448.25
Chile	Peso (O) (5)	117.56
China	Renminbi Yuan	2.5765
Colombia	Peso (O)	109.53
Comoros	C.F.A. Franc	448.25
Congo Ppie Rep.of	C.F.A. Franc	448.25
Costa Rica	Colon (4)	47.75
Cuba	Peso	0.8996
Cyprus	Pound*	1.6454
Czechoslovakia	Koruna (O)	6.95
Denmark	Krone	10.5625
Djibouti Rp. of	Franc	175.029
Dominica	E. Caribbean $	2.70
Domin. Rep.	Peso	1.00
	Peso (d)	2.97
Ecuador	Sucre (o)	67.18
	Sucre (d)	121.00
	Sucre (f)	95.75
Egypt	Pound*	0.8316
El Salvador	Colon	2.50
	Colon (d)	4.00
Eq'tl Guinea	Ekuele	328.60
Ethiopia	Birr (O)	2.0481
Faeroe Is'd	Dan. Krone	10.5625
Falkland Is'd	Pound*	1.2738
Fiji	Dollar	1.1149
Finland	Markka	6.1376
France	Franc	8.965
Fr. C'ty in Af	C.F.A. Franc	448.25
Fr. Guiana	Franc	8.965
Fr. Pac. Is'd	C.F.P. Franc	163.00
Gabon	C.F.A. Franc	448.25
Gambia	Dalasi	3.9263
Germany (E)	Ostmark (O)	2.9192
Germany (W)	Mark	2.9192
Ghana	Cedi (7)	38.50
Gibraltar	Pound*	1.2738
Greece	Drachma	121.45
Greenland	Dan. Krone	10.5625
Grenada	E. Caribbean $	2.70
Guadaloupe	Franc	8.965
Guam	U.S. $	1.00
Guatemala	Quetzal	1.00
Guinea Bissau	Peso	83.0737
Guinea Rep.	Syli	24.3974
Guyana	Dollar (6)	4.12
Haiti	Gourde	5.00
Honduras Rep.	Lempira	2.00
	Lempira (d)	2.55
Hong Kong	Dollar	7.8205
Hungary	Forint	47.9837
Iceland	Krona	33.62
India	Rupee	11.93
Indonesia	Rupiah	1062.00
Iran	Rial (o)	91.2235
Iraq	Dinar	0.3109
Irish Rep	Punt*	1.0556
Israel	Shekel	530.10
Italy	Lira	1822.00
Ivory Coast	C.F.A. Franc	448.25
Jamaica	Dollar (o)	4.58
Japan	Yen	240.725
Jordan	Dinar	0.3852
Kampuchea	Riel	n.a.
Kenya	Shilling	14.6145
Kiribati	Aust. Dollar	1.1574
Korea (Nth)	Won	0.94
Korea (Sth)	Won	814.00
Kuwait	Dinar	0.3002
Lao P'ple D. Rep.	Kip	35.00
Lebanon	Pound	7.525
Lesotho	Loti	1.7467
Liberia	Dollar	1.00
Libya	Dinar	0.2961
Liechtenst'n.	Sw. Franc	2.401
Luxembourg	Lux. Franc	50.01
Macao	Pataca	8.1294
Madagascar D. R.	Franc	516.075
Madeira	Port. Escudo	160.00
Malawi	Kwacha	1.4919
Malaysia	Ringgit	2.394
Maldive Is.	Rufiyaa (o)	3.93
	Rufiyaa (m)	7.05
Mali Rp	C.F.A. Franc	448.25
Malta	Pound*	2.1299
Martinique	Franc	8.965
Mauritania	Ouguiya	67.16
Mauritius	Rupee	14.45
Mexico	Peso (d)	201.78
	Peso (e)	184.36
Miquelon	Fr. Franc	8.965
Monaco	Fr. Franc	8.965
Mongolia	Tugrik (o)	3.3555
Montserrat	E. Caribbean $	2.70
Morocco	Dirham	9.05
Mozambique	Metica	42.47
Namibia	S.A. Rand	1.7467
Nauru Is.	Aust. Dollar	1.1574
Nepal	Rupee	16.729
Netherlands	Guilder	3.292
Neth Ant'les	Guilder	1.80
New Zealand	Dollar	2.0097
Nicaragua	Cordoba	10.00
	Cordoba (d)	200.00
Niger Rp.	C.F.A. Franc	448.25
Nigeria	Naira	0.7873
Norway	Krone (7)	8.5415
Oman, Sultanate of	Rial	0.3456
Pakistan	Rupee	14.6778
Panama	Balboa	1.00
Papua N.G.	Kina	0.9154
Paraguay	Guarani (o,c)	240.00
	Guarani (d)	401.00
Peru	Sol (o)	4496.59
Philippines	Peso	20.09
Pitcairn Is	N.Z. Dollar	2.0097
Poland	Zloty (O) (3)	125.59
Portugal	Escudo	160.00
Puerto Rico	U.S. $	1.00
Qatar	Riyal	3.641
Reunion, Ile de la	Fr. Franc	8.965
Romania	Leu (O)	5.07
Rwanda	Franc	101.512
St. Christopher	E. Caribbean $	2.70
St. Helena	Pound*	1.2738
St. Lucia	E. Caribbean $	2.70
St. Pierre	Fr Franc	8.965
St. Vincent	E. Caribbean $	2.70
Samoa (Western)	Tala	2.08
Samoa (Am.)	U.S. $	1.00
San Marino	It. Lira	1822.00
Sao Tome & Principe DR	Dobra	44.7225
Saudi Arabia	Riyal (2)	3.557
Senegal	C.F.A. Franc	448.25
Seychelles	Rupee	7.1601
Sierra Leone	Leone	2.54
Singapore	Dollar	2.148
Solomon Is.	Dollar	1.2967
Somali Rep.	Shilling	17.866
South Africa	Rand	1.7467
Spain	Peseta	164.30
Span. Ports in N. Africa	Sp. Peseta	164.30
Sri Lanka	Rupee	25.99
Sudan Rep	Pound*	0.7692
Surinam	Guilder	1.785
Swaziland	Lilangeni	1.7467
Sweden	Krone	8.4275
Switzerland	Franc	2.401
Syria	Pound (O)	3.925
Taiwan	Dollar (O)	39.18
Tanzania	Shilling	17.25
Thailand	Baht (8)	26.89
Togo Rep	C.F.A. Franc	448.25
Tonga Is	Pa'anga	1.1574
Trinidad & Tobago	Dollar	2.409
Tunisia	Dinar	0.8138
Turkey	Lira	409.875
Turks & Caicos	U.S. $	1.00
Tuvalu	Aust. Dollar	1.1574
Uganda	Shilling	491.04
United Arab Emir.	Dirham	3.6727
Utd. Kingdom	Pound Sterling*	1.2738
Uruguay	Peso (m)	64.63
USSR	Rouble	0.852
Vanuatu	Vatu	99.4267
Vatican	Lira	1822.00
Venezuela	Bolivar (g)	7.50
	Bolivar (g) (1)	4.30
	Bolivar (o)	12.63
	Bolivar (d)	12.70
Vietnam	Dong (o)	10.2578
Virgin Is. Brit	U.S. $	1.00
Virgin Is. U.S.	U.S. $	1.00
Yemen	Rial	5.85
Yemen PDR.	Dinar	0.3435
Yugoslavia	Dinar	185.739
Zaire Rep.	Zaire	38.4764
Zambia	Kwacha	1.9782
Zimbabwe	Dollar	1.4143

n.a. Not available. (m) Market rate *U.S. dollars per National Currency Unit. (a) Freemarket central bank. (o) Official rate. (b) Freemarket interbank. (c) Commercial rate. (d) Freemarket. (e) Controlled. (f) Financial rate. (g) Preferential Rates. (h) Non-essential imports. (i) Floating tourist rate. (1) Venezuela: For debts incurred prior to February 1983. (2) Saudi Arabia: Sept. 18, Riyal devalued to 3.56. (3) Poland: Zloty officially devalued Sept. 1. (4) Costa Rica: Official devaluation effective Oct. 25. (5) Chile: Sept. 18, Official devaluation of 19 per cent. (6) Guyana: Oct. 7, Official devaluation of approx. 9 per cent. (7) Norway: Sept 23rd, Krone devalued by 2 per cent. (8) Thailand: Nov 5th, official devaluation of approx. 14.8 per cent. For further information please contact your local branch of the Bank of America.

INTERNATIONAL CAPITAL MARKETS

OVER-THE-COUNTER

Continued from Page 28

Stock	Sales (Hnds)	High	Low	Last	Chng
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

EUROBONDS

Market sees launch of DM 400m new issues

BY MAGGIE URRY IN LONDON

ATTENTION switched to the D-Mark Eurobond market yesterday, and to equity warrant issues. Swiss Bank Corporation and Philips, the Dutch electrical group, launched issues. Philips simultaneously announced a domestic guilder bond issue with equity warrants. All the issues were well received.

SBC's DM 150m issue has a 10-year life and pays a coupon of 3⅛ per cent, with the issue price of par. The bonds come with two warrants, to buy a total of 14 shares at a price of SwFr 296, equal to the current market price. The issue was lead managed by Deutsche Bank, with SBCI.

Philips's D-Mark issue raises DM 250m through a seven-year bond with a 3½ per cent coupon and par issue price. The bonds each carry one warrant to buy 20 shares at Fl 63, compared with a market price for Philips shares of Fl 55.40.

The warrants are identical to those on the Fl 300m issue. Lead manager on the D-Mark bond is Dresdner Bank. On the guilder bond Amsterdam Rotterdam Bank is the lead.

The D-Mark bond market was weaker, with prices falling about ⅛ point in the wake of the New York bond market's fall.

The Eurodollar bond market was also unsettled by the New York slide, but the primary market was particularly hit because of the oversupply of new issues.

The U.S. Federal National Mortgage Association bond, issued on Tuesday at par, was offered at 97.

No new issues were launched. Bond prices were around ½ point lower.

Daiwa Europe priced the $50m convertible issue for Star Manufacturing, the Japanese electronics group, as indicated with a 3½ per cent coupon and a conversion premium over the recent average share price of 5 per cent.

The fall in the New York equity market was blamed for the postponement of the $50m convertible issue for U.S. TV group Viacom. The company decided buyers would get too good a deal if the conversion premium was set over a low share price.

Turnover in the Swiss franc bond market was low and prices were steady after the rally of previous days.

Two private placements emerged. SBC announced a SwFr 50m issue for Osaka Gas, with a 5⅞ per cent coupon and five-year life.

Daiwa (Switzerland) is placing a SwFr 20m convertible for Naigai Amimono, the clothing manufacturer.

The Italian Treasury will be launching a European currency unit issue, of which 90 per cent will be sold domestically. The Ecu 500m eight-year bonds will pay interests either in Ecu or in lire at a rate of 10½ per cent. This is the third Ecu issue by the Treasury.

WEEKLY U.S. BOND YIELDS (%)

	Nov 7	Oct 31	1984 High	1984 Low
Composite Corp. AA	12.16	12.16	14.23	12.18
Government:				
Long-term	11.57	11.59	13.69	11.54
Intermediate	11.64	11.71	13.79	11.32
Short-term	10.78	11.07	13.22	10.70
Municipal	10.22	10.13	11.14	9.46
Industrials AAA	11.67	11.72	13.60	11.67
Industrials AA	11.98	12.03	14.12	11.98
Utilities AA	12.33	12.29	14.45	12.29
Preferred Stocks	11.44	11.54	12.17	11.07

Source: Standard & Poor's

BHF Bank bond average

Nov 8		Previous
102.056		102.067
High	1984	Low
102.067		98.056

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for November 8.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

WORLD ECONOMIC INDICATORS
every Monday in the Financial Times

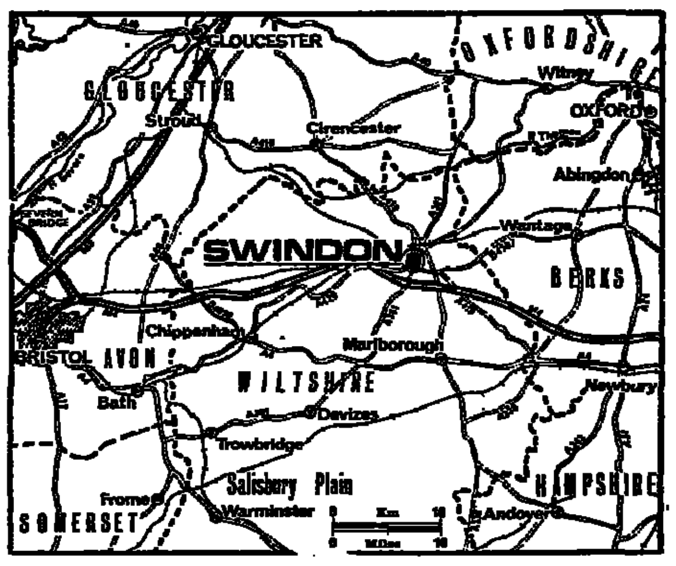
SECTION IV

FINANCIAL TIMES SURVEY

The airy Brunel shopping centre provides modern expression for Swindon's railway history. British Rail's high-speed train would be equally at home as the strolling shoppers under the barrel-vaulted roof

Three decades of rapid growth have changed Swindon from a railway town to a UK centre for high-technology - all without the aid of government incentives. But the future presents tough challenges.

SWINDON



Rail town switches to fast track

By Arthur Smith

MR DAVID KENT, former army officer, computer expert and now chief executive of Thamesdown Borough Council, has the retiring manner of an academic. He is not the type to brag, but he admits that he finds it difficult not to when talking about the achievements of Swindon.

Against a troubled national and international economy, he claims for Swindon rising incomes, falling unemployment, expanding industry and record private sector investment in housing, offices and the new business parks that are proving so attractive to high-tech industries.

And Swindon — the core of the borough of Thamesdown, created under what Mr Kent describes as the "botched" reorganisation of local government of 1974 — has done it alone.

The town spurned the creation of a Government-backed development corporation and the powers and finance that would bring. But it has, nevertheless, pioneered three decades of rapid growth of jobs and population — "a model for urban development that is durable and under local democratic control," Mr Kent says.

Swindon, just "a village on a hill since Saxon times," had a population of only 1,600 at the beginning of the last century but will boast an increase to 200,000 within the next 20 years from its present 158,000, according to Mr Kent.

A decision by Isambard Kingdom Brunel, the Victorian engineer, in 1841 put the rural Wiltshire town on the industrial map. He chose it for the Great Western Railway workshops, which expanded over a 320-acre site to become the largest in Europe with some 12,000 workers.

The fact that Swindon became a one-industry town, with the railways at one point accounting for nearly one job in three, was the motive for expansion in other areas in the 1950s. The local authority took the lead in attracting London overspill and new employees: population climbed by 29,000 and some 14,000 jobs, mostly in manufacturing were created.

The continued growth in employment through the 1960s brought the much-desired greater diversity. Though the Beeching axe contributed to a 7,000 cut in railway employment, the number of manufacturing jobs peaked at 35,000 by 1970.

Boom

More rapid economic and social changes have come over the last decade with the dramatic swing from blue- to white-collar employment. While 11,000 manufacturing jobs have disappeared, the service sector has grown by 17,000.

Swindon has benefitted from the M4 and the town's strategic location on the much-publicised "Western Corridor" between London and Bristol. "You can travel to Heathrow Airport more quickly from Swindon than from the centre of London," the town's publicity material boasts.

Rapid growth and rising real incomes have brought a boom for the retailers. The number of shops in the borough has increased by 50 per cent in a decade and estate agents report the time is right for further growth, whether in the central area or out of town.

Office lettings, after a lull, have again taken off. Swindon has established its claim as a centre for headquarters and for companies relocating from London.

The town has also seized the initiative to attract hi-tech industry and research — based on business parks. Three such speculative developments, each within minutes of the M4, have secured important lettings and rising rents this year.

The flexibility shown by Swindon in its drive to generate new employment has been a factor in attracting big names, often from overseas.

- Raychem, the U.S. company, moved to Swindon with 23 employees in 1966, but now employs more than 1,200.
- Intel, the U.S. semi-conductor manufacturer, chose the town for its European headquarters.
- Logica VTS is a British computer systems house that is expanding.
- National Semiconductors is the latest recruit, establishing its European marketing and distribution centre on one of the business parks.

Mr Kent believes the development which best underlines Swindon's strength in the marketplace is the decision by Honda of Japan to submit a planning application for a 340-acre site on which it has an option to buy. The application talks vaguely of expansion beyond the initial stage of establishing an inspection centre for cars.

Honda has options on two other UK sites, but Mr Kent says: "The point is that after a search of the UK, Honda has put Swindon on the short list. We have no financial inducements to offer nor any form of regional assistance."

Consensus

Swindon believes it is being put at a disadvantage by the Government not on regional assistance, but on the "stranglehold" of central control of finances. Thamesdown is one of the 18 local authorities subject to rate-capping, which makes it illegal for councils to spend more than an allotted target and charges this to local rates.

Thamesdown is a Labour-controlled authority, but there is a broad consensus with the Conservative opposition on economic development. On growth, Mr Kent reports that cuts should not be necessary in 1985-86 but warns of the consequences if the target is not reviewed in future years.

"Our whole role in encouraging growth and creating an environment attractive to industry could be undermined," he says.

Swindon argues that the Government should take account of the special circumstances under which the local authority has been acting as a development agency. It maintains that jobs have been created at a much lower cost than in towns with development corporations such as Milton Keynes, Northampton and Peterborough.

Recognising the important issues raised by the poor performance of the national economy and the constraints imposed by Government control of spending, the local authority has launched a discussion document, A New Vision for Thamesdown. The long-term forward planning study — the first for 15 years — examines the choices facing the town up to the end of the century.

Swindon has an unemployment rate of just over 10 per cent, well below the national average. But the scale of the future challenge is not shirked. The plan points out that a minimum of about 3,000 new jobs will be needed every year until 1991 merely to stop the level of unemployment becoming worse.

Similar targets have been hit regularly in the past, but it is acknowledged the task will be more difficult given the expected low growth rate of the national economy and the impact upon employment patterns of technical changes.

Public comment on the document is being analysed and the conclusions will influence Thamesdown's review of the structure plan being undertaken by Wiltshire County Council.

The study outlines the changed balance between the private and public sector. In the early years of expansion the local authority had to buy land, put in the infrastructure and market the sites.

Now Mr Kent reports: "Pension funds and major development companies are falling over themselves to buy development land in the area and the borough cannot compete at the prices being achieved."

He says the council accepts the realities of the market and the superior resources available to the private sector, but to protect the wider community interests, the local authority will supplement its planning powers by seeking to obtain or exploit strategic land holdings.

Such an approach will be adopted on the 1,000 acre Haydon sector to the north of Swindon, the next area to be developed in five or six years, after completion of construction in the western district. Thamesdown owns about 160 acres, with the rest held by a handful of private companies.

Mr Kent points to the impracticality of the local authority buying up the land with values for housing around £90,000 an acre and for industrial £130,000.

"To buy the Haydon sector at housing prices — discounting potential office or industrial sites —would cost Thamesdown about £130m."

Swindon, conscious that it serves a hinterland with a total population of some 450,000, has already started a campaign to extend its boundaries. More than that, Mr Kent insists that it should be an all-purpose local authority with the sort of power the government is restoring to the districts in the metropolitan counties.

He acknowledges that such radical reforms are unlikely in the lifetime of the present government. But he adds: "Swindon has pioneered a successful form of expansion. We must look to the longer term and ensure the machinery is there to continue the progress into the next century."

Rents set to take off as space glut fears fade

Office property

ARTHUR SMITH

SWINDON HAS enjoyed record office lettings of 295,000 sq ft in the central area this year, "a cause of delight" to developers who some years ago had the faith to assemble or purchase major sites before the town had established itself in the market for relocations, says Mr Simon Bitmead, of chartered surveyors J. P. Sturge.

British Rail has given a lift to the market with the second and third phases of the relocation of its western region office from Paddington. BR, which took 50,000 sq ft of prime space at 125 House last year—has followed with 32,000 sq ft at Broad Bridge House, recently completed by Sun Alliance, and 43,000 sq ft at Cyan House, the Prudential development.

"Swindon is expanding not just by attracting the newcomers but by encouraging the growth of existing business," says Mr Peter Barefoot, of Peter *Barefoot Consultant Surveyors*. "It is not only the farmers who have had a good harvest this year," he says.

Among concerns taking additional space near existing locations were British Telecom and PHH, who acquired short term leases on 19,500 sq ft in Aspen House.

Newcomers have helped to remove what developers feared 12 months ago was an emerging oversupply of accommodation. They have also helped push up rents. Mr Robin Braithwaite, of Farrant and Whiteman, says the rapid take-up of space over the past six months has established rents for new accommodation of about £8 a sq ft.

"But I expect that to move quickly upwards from next year."

Only about 160,000 sq ft of central area office space is vacant or expected to be completed this year. The largest amounts are 35,000 sq ft in Electra House, on offer at £8.25 a sq ft, and London and Manchester's 40,000 sq ft Focal Point, due for completion in January.

Agents reports that for the *first time since the late 1970s* attention has turned to the Old Town, with three projects under way. Forum One, a 17,000 sq ft scheme, is due for completion next spring to be followed by a similar-sized second phase. Hannick Homes, a local developer, expects to complete the 8,600 sq ft Dammas House early in the new year. A more complex project is under way by Landene Developments to provide 17,000 sq ft on the former Courage brewery site in the High Street.

Location

The immediate availability of speculative office space is seen as the key to picking up relocating companies. But the sudden turnround in the market has aroused concern about possible shortages.

One factor inhibiting development in the centre is the success of Swindon's out-of-town business parks. They have proved so popular that the rent differential with the central areas is narrowing.

There are fears that the parkland sites, with their ease of parking, may capture tenants who would have gone to the centre. But agents can offer no real evidence on the experience of the past 12 months.

The only significant project to start recently in the central area is a 50,000 sq ft scheme by Commercial Union, due for completion next autumn. Mr Bitmead suggests the location and the quality of accommodation will set a rent record for Swindon of about £9.50 a sq ft.

He argues that the market in offices is becoming more sophisticated. "It is all very well to generalise about rent levels, but it all comes back to location and specification. The bolder developer, rather *than go for a standard building* that might let at £8.25, will aim to meet changing market requirements."

A key pointer to the vitality of the Swindon economy is the demand for small offices, according to the chamber of commerce. For example, new air-conditioned suites in Beaver House, at £6 a sq ft, have proved popular.

Small suites are also likely to become available because of the expected head office move by Exchange Travel from Hastings to the 37,000 sq ft Wiltshire Court. Exchange will at first occupy only half the space, letting the balance as small suites until required for the company's expansion.

While 1984 might have been dramatic for lettings, agents and developers are now questioning how rapid future growth will be. Part of the recent location and Hambro Life's development of the 129,000 sq ft Tricentre scheme for its own occupation. This is the fifth block to be occupied by Hambro Life, which now has more than 370,000 sq ft in the central area.

J. P. Sturge reports a high level of inquiries from companies seeking to relocate, but notes "few are committed to coming to Swindon and the striking rate of inquiries to lettings is not good."

Confidence in the Swindon office market remains high, boosted by the sale earlier this year by Commercial Union Properties of 125 House to Equitable Life for a reported figure of more than £7.5m reflecting a yield of just over 5 per cent.

There are certainly enough planning consents outstanding—more than 300,000 sq ft—on which developers could move.

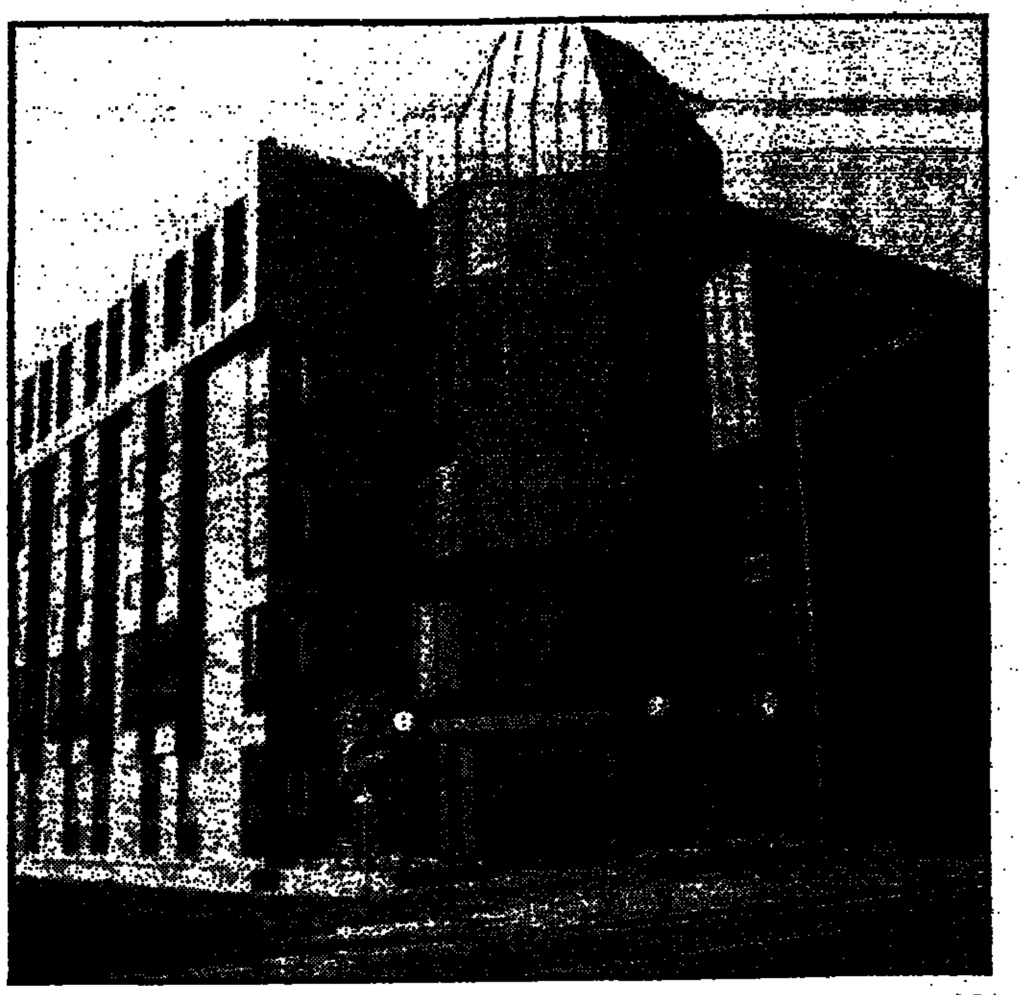
Mr Bitmead points to the success was through the BR re-emergence of the station area as the prime location, underlined both by the swift take-up of space and the Equitable Life investment in 125 House.

"The next test for this area will be the sale of the Bradley Court site, just placed on the market, with consent for 68,000 sq ft, and whether, when sold, it will be simultaneously forward-funded."

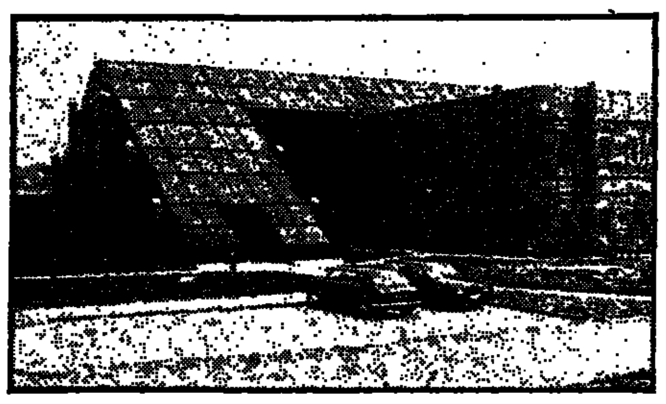
Another nearby development out for funding is Signal West, a 200,000 sq ft private sector partnership with British Rail on the BR car park.

In the words of one agent commenting upon the rapid take-up of office accommodation in recent months, "there is now a fear that feast may rapidly be turning to famine."

Against such a background, all eyes are watching to see who will make the first move on new construction.



British Rail took 125 House in Milford Street as Western Region HQ. Commercial Union sold the investment to Equitable Life for more than £7.5m. A further two buildings have also gone to BR



The impressive National Water Research Council offices

Diversity breathes life into market

Industrial property

THE SWING in Swindon from blue-collar to white-collar jobs is reflected in the industrial property markets.

Agents J. P. Sturge, in a survey of traditional premises as opposed to the business park developments, maintains the vacant stock has remained constant at around 1m sq ft. But within that total there have been significant movements.

More than 370,000 sq ft of space has been taken this year, though two old buildings on Cheney Manor account for a sizeable chunk of business.

Bluebird Toys expanded to take a 97,000 sq ft building at less than £1 a sq ft. The former Triumph International factory, with 102,000 sq ft, was taken after being vacant for three years. There are plans to offer the premises in small units on short lets at all-inclusive rents.

While Swindon's traditional manufacturing industries may have remained subdued, the increasing diversity of the local economy coupled with greater activity in the small firms sector, has put some life into the market. Logica, the micro-computer concern, took a new 14,000 sq ft unit at £2.50 a sq ft while IBM has leased an extra 12,000 sq ft.

Given the stock of older buildings, incentives and special deals often have to be given to let properties more than five years old. Agents report an oversupply of new nursery units and suggest, even with the flurry of lettings in the summer and autumn, units are likely to remain available to the end of next year.

Mr Philip Loveday, of Loveday and Loveday, says there has been little new building in traditional units of between 5,000 and 10,000 sq ft and a shortage could occur. Agents point, however, to the success of the business parks in attracting the growth high-tech companies, and suggest this could lead to longer-term changes in the traditional industrial sites.

Mixed planning consents which allow use for offices, research and light industrial provide higher site values. J. P. Sturge calculates there are more than 400 acres within Swindon either with planning consent or zoned for employment — "sufficient supply for the next four or five years with, almost certainly, the well-located sites disappearing under the bulldozer first."

Agents report few sites have been sold recently for development. However, two acres fronting the main feeder road to junction 16 on the M4 went for £250,000 and a six-acre business park development at Westmead realised about £140,000 an acre.

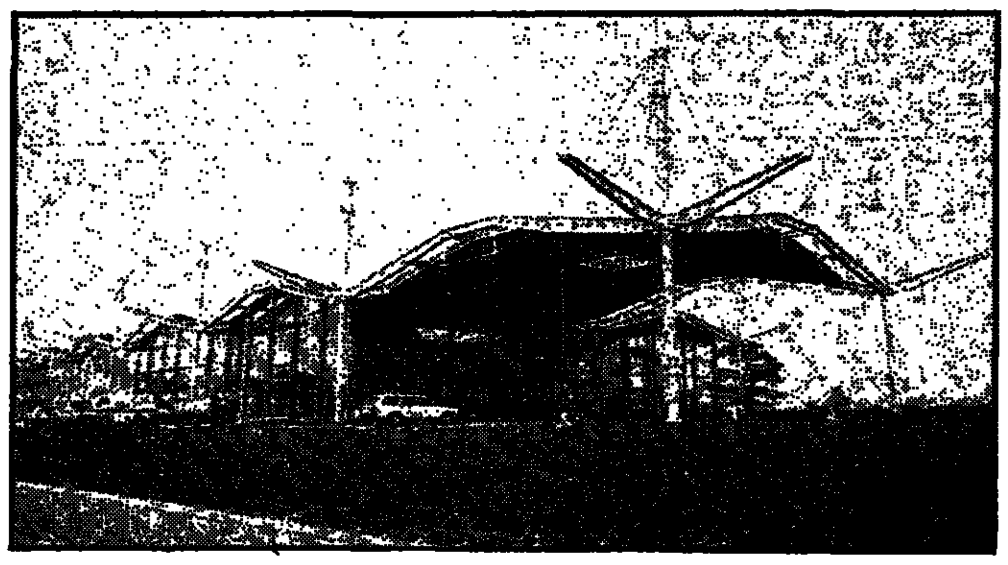
A range of advance industrial units is available in Swindon at rents of £2 to £4 a sq ft, depending upon size and location. Among new schemes is one by Taylor Woodrow due to start soon to provide 20 high-tech units from 500 to 2,500 sq ft at Bridgemead in the west Swindon expansion area.

The big talking point is the intention of Honda, which has taken an option on a 340-acre site at South Marston. The company has submitted an outline planning application which talks of expansion beyond the initial stage of establishing a pre-delivery inspection facility for the new executive car to be manufactured in partnership with Austin Rover.

The great unknown is what such expansion will entail and when? To add to the uncertainty, Honda has taken options on two other sites in the UK.

Swindon, confident it is likely to be a favoured site, points out that it can attract such potential investment without the financial inducements available in so many other parts of the country.

Arthur Smith

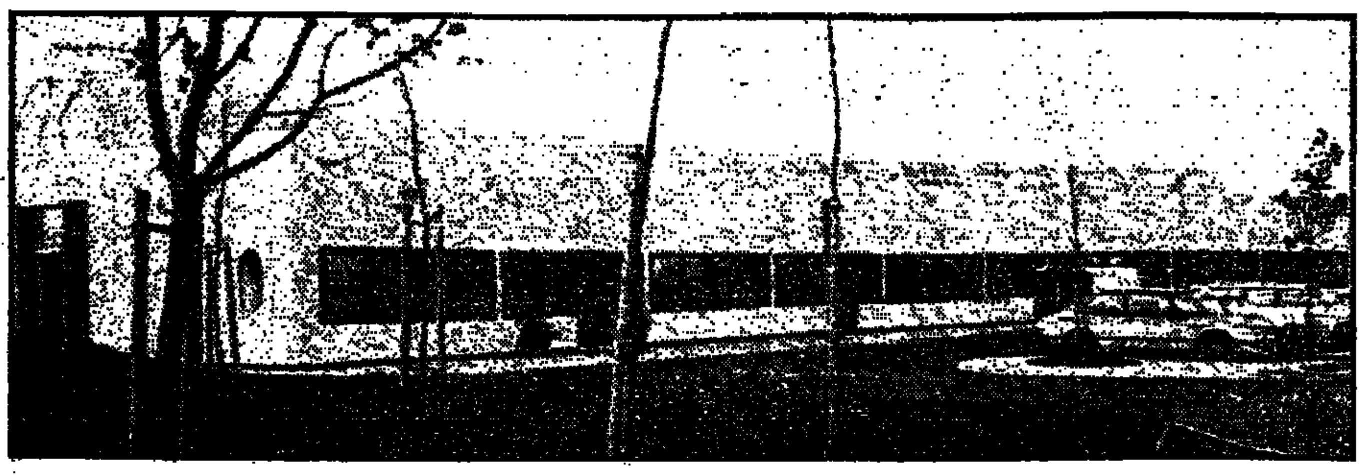


The Renault national parts distribution centre at Westlea, Swindon

Tribute paid to planners' flexibility

Business Parks

ARTHUR SMITH



Six tenants have taken the 10,000 sq ft first phase of Taylor Woodrow's Delta 700 on the Delta Business Park (above) at £6.75 a sq ft.

Sun Alliance has let Maple 56/86 on Kembrey Park (left) to National Semiconductors at £4.10 a sq ft.

IN THE drive to attract hi-tech industry and research-based operations, Swindon has set the pace in providing campus accommodation. Three speculative business parks, each within minutes of the M4, are under way. Lettings have been dramatic and rents have shot up over the past nine months.

Agents J. P. Sturge point out that at the 40-acre Kembrey Park, the first 35,000 sq ft phase of the Cherry Orchard Scheme was fully let by June — within six months of completion. The first of the suites, varying from 2,000 to 7,000 sq ft went for £5.25 a sq ft but the last three hit £7 a sq ft.

"Despite, or because of, these rental levels, most space was taken by computer-orientated companies," says Mr Simon Bitmead, of J. P. Sturge. Tenants include the cable television subsidiary of Thorn-EMI, Great Western Computing and Plexus Computers.

Mr Bitmead argues the success of the scheme derives not just from the flexibility that allows each tenant its own front door, but also from the willingness of Sun Alliance, as landlords, to grant three-year leases. Within that time the fast growing companies will be looking for more space on Kembrey Park.

The second phase of the Cherry Orchard scheme is nearing completion with 7,000 of the 35,000 sq ft let. Work has started on the third, 40,000 sq ft phase, which will offer raised flooring.

Kembrey Park offers a series of developments, providing multi-purpose units suitable for offices, laboratories, research and development, data processing and manufacture. One of the big names attracted is National Semiconductor. The space is totally flexible, equally suitable for production, research or offices.

The tenant came for the building rather than the town or location, Mr Bitmead says.

Windmill Hill Business Centre, an 80-acre project by St Martins Property, has just scored its first big letting, 17,000 sq ft to Intel, the U.S. semi-conductor manufacturer. The asking rent was £6.75 a square foot for this, the first of four speculative blocks totalling 60,000 sq ft scheduled for completion between February and May next year.

Windmill Hill, two minutes off junction 16 of the M4, is recognisable not just by landscaping that involved planting of 50,000 trees, but also from the reconstructed working windmill that provides a local landmark.

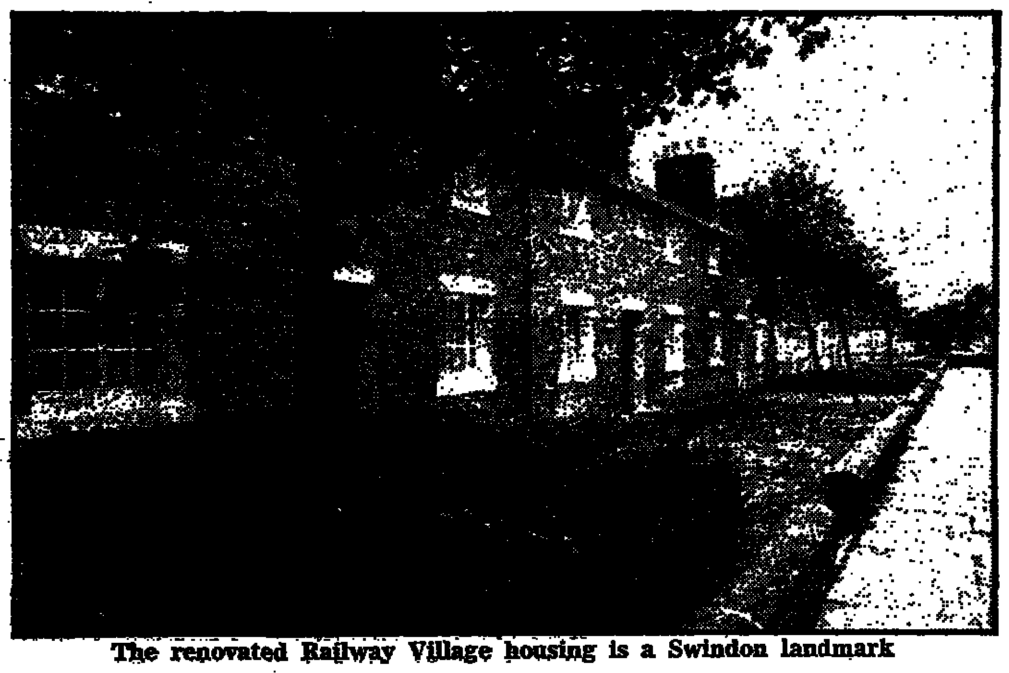
Delta Business Park, a 30-acre development by Taylor Woodrow and Thamesdown Council, will offer office accommodation from 10,000 to 100,000 sq ft or more. The campus site, though geared to offices, offers a range of other uses for hi-tech or research and development.

The first 10,000 sq ft development, Delta 700, was let quickly in various sized suites to six tenants at rents approaching £7 a square foot. Agents say negotiations are under way with a prospective tenant for the recently completed Delta 100—a high specification building with raised flooring for which a rent of around £8 a square foot is sought.

J. P. Sturge reports a further development planned for next year to exploit the market created by Delta 700. But it is not likely to be available for occupation until 1986.

Agents pay tribute to the advantages given to the business parks by the flexible planning approach adopted by the local authority. Mr Robin Braithwaite, of Farrant and Whiteman, says inquiries from high-tech companies demand a higher proportion of offices—up from only 30 per cent to perhaps 80 per cent—in buildings.

The rent differential between the business parks and the central area has closed and there is likely to be vigorous competition for new tenants.



The renovated Railway Village housing is a Swindon landmark

Rapid change provides challenge to builders

Housing

LORNE BARLING

THE RAPIDLY changing social and industrial character of Swindon in the past few years has provided a challenge to housebuilders, both in the private and public sectors, while consistent demand has made it an attractive market for large building companies.

Since 1950 an average of about 15,000 houses a year have been built in the Borough of Thamesdown, mainly in the mushrooming western development area. At the start of this period, about a third of building was by the local authority, but by last year the squeeze on spending had reduced this to a small proportion.

This western area is made up of four "urban villages" which contain around 20,000 houses—forming the second largest township in the county, exceeding Salisbury in size. When complete in the late 1980s, it is expected to contain between 35,000 and 40,000 houses.

One of the main reasons for the high demand for housing according to local authority officials is the large number of people who came to Swindon from London in the 1950s and early 1960s with children. There have grown up and needed to be housed.

More recently, the changing industrial pattern has led to greater demand for larger, higher-priced housing, since the surrounding towns and villages which had absorbed much of this demand were no longer able to do so.

A recent housing report from the council said there is little property being sold at less than £15,000 and since 1981 the greatest price rises have been at the lower end of the market.

It added that the local housing market was highly dependent upon the large developers, with six out of every 10 homes being built by the five largest building companies. One in four of the dwellings to be built up to 1989 is expected to be constructed by the two largest private developers.

It is estimated that there is enough land for housing development at the predicted rate for five to six years. The Haydon sector, to the north of the town, is generally accepted as the next area for development and will be discussed over the next few months during the review of the county structure plan.

The complexities of linking housing development to industrial growth are considerable, since the latter is highly unpredictable, and there is also pressure to isolate housing growth in certain areas.

Little change in the pattern of demand is expected in the short term, but a survey of estate agents indicates that there will be a rapid rise in the requirement for properties costing between £20,000 to £25,000 and £50,000 to £70,000.

This is already evident to some extent, due to the increase in the number of middle to senior executives moving to the area with high technology companies. One recent development, Shaw Ridge, has found buyers for houses worth more than £110,000, and more projects of this kind would therefore seem likely.

According to the survey, almost all local builders required more building land, and almost half the demand was for sites which would accommodate between 20 and 100 homes.

Land banks

The dominant constraint identified by house-builders was the shortage of land, and most were widening their search for sites at viable prices. In addition, they wanted local authorities to help to encourage imaginative schemes without the imposition of rigid standards, and to improve provision of infrastructure.

The report also points out that local conditions have worked against the small developer, since larger building companies have been able to build up land banks following the early successful phases of development in an expansion area.

"It is unlikely that the domination of the land market will result in the larger builders developing all the land themselves. It is reasonable to assume that they will, by way of land swaps or sub-conveying, spread their developments," the report said.

However, to swap land, developers had to be in control of land elsewhere, and this system worked against small developers.

Overall, the predominance of the private sector builders is regarded as acceptable, particularly in view of the rapidly changing market conditions and the need to meet demand.

Swindon 4

A bit of an oasis crying out for a boost in status

Retailing
ARTHUR SMITH

GROWING affluence and changing social competition are raising serious questions about the future pattern of retailing in Swindon.

The futuristic Brunel shopping centre, which spreads over 13 acres, has proved a success, but there is widespread agreement that the town is crying out for something extra that will lift its status relative to more established shopping centres such as Oxford, Newbury, Bristol, Bath and Cheltenham.

"A bit of an oasis," is how one agent describes Swindon's fortunate location, fairly distant from other major towns and yet with an expanding and increasingly prosperous population in its hinterland.

Some argue that at the very least an up-market large department store is needed. Others, like Mr Simon Bitmead, of agents J. P. Sturge, advocate a new central covered shopping centre of perhaps 150,000 sq ft. But such discussion leads inevitably to the emerging issue in Swindon of how much out-of-town shopping should be permitted.

In the west Swindon district centre, Carrefour has a superstore, supported by a range of other traders. Progress has been made this year by non-food retail operations given planning consent to trade from main-road positions. W. H. Smith, for example, got the go-ahead for a Do It All share on an eight-acre site at Greenbridge on the eastern outskirts.

But the key question is whether the local authority will allow, under pressure from the food retailers, development of a district centre on the eastern side of the town. Sainsbury has resubmitted a planning application for a 56,000 sq ft store on a site where it lost an appeal two years ago.

Applications are also in for three competing sites from Asda, Tesco and a developer.

Mr Peter Barefoot, a consultant surveyor, believes it is only a matter of time before consent for a food store in the west is given. "Swindon town centre has one major problem—car parking. From this time of the year till Christmas, you cannot get a parking space without a wait and a big headache," he says.

He argues that another out-of-town foodstore, apart from the convenience, would take pressure off the central area and encourage development of specialist shops.

Mr Ken Lucas, manager of the Marks and Spencer store, confirms that spending power in Swindon is rising. He reports no let-up in sales and that the more expensive lines are popular. The store has witnessed a changing pattern of spending over five years which mirrors the changing social structure.

Rejuvenation

"Newcomers are clearly having an influence but, regardless of that, I expect to see continued growth," he says.

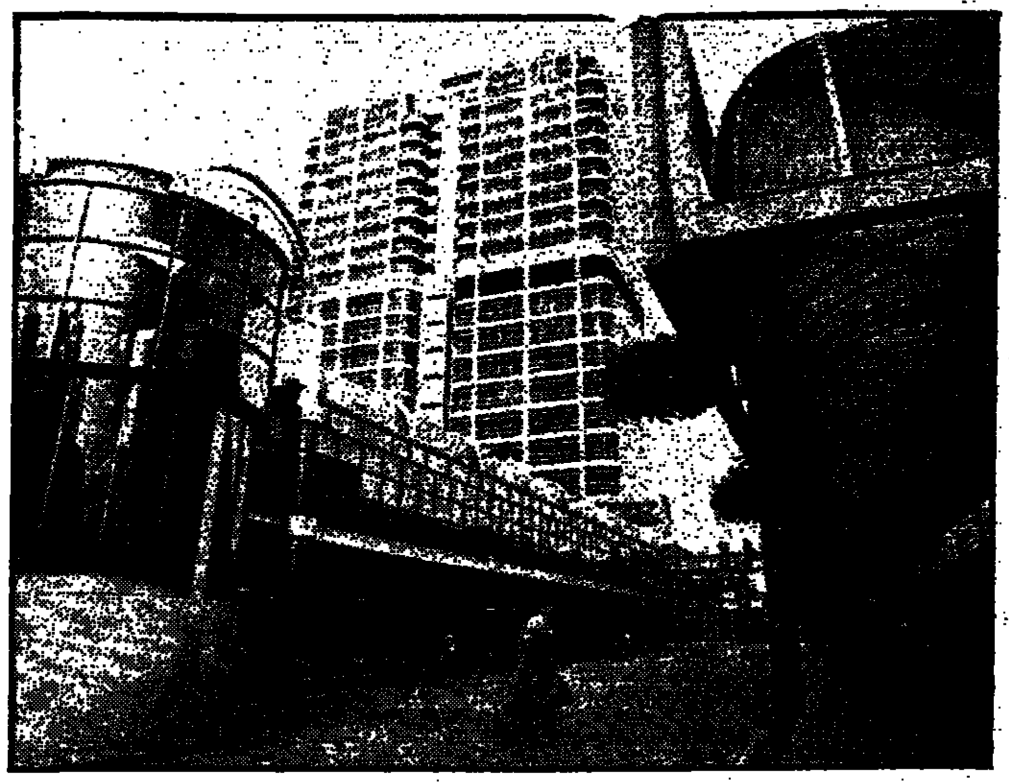
Against that background Mr Bitmead argues that whatever the national economic climate, Swindon is crying out for quality retailers. He points to a rejuvenation of Regent Street, or the early-1960s Parade shopping cent, but favours a new centre.

He suggests that because the retail centre is clearly defined, the best development site would be in the Fleet Street area close to the railway station. A site area of 60,000 to 80,000 square feet could provide two levels of shopping of around 150,000 square feet.

"A development on the central core would attract the sort of quality retailers that Swindon needs. Unfortunately, too many people on the doorstep of the town turn their back and travel to Bath or Oxford," he says.

Agents report that though great chunks of the central area were up for rent reviews this year—in some cases for the first time in 14 or 21 years—few shops changed hands. What open-market lettings there were indicated strong growth in rents. Even secondary locations proved popular, with few shops remaining vacant for any time.

"Any shops that become available are selling at very high premiums," says Mr Philip Loveday, of Loveday and Loveday. Even the 80 to 90 per cent pitches were commanding a premium of about £20,000 to £25,000 for a typical 1,500-sq-ft shop.



Swindon's railway history haunts even its modern buildings. The Brunel shopping centre (above) is named after Isambard Kingdom Brunel, founder of the Great Western Railway on which the town's fortunes were built, while the canopies and plaza roof echo Victorian railway station architecture. The centre, developed by the local authority over 13 acres, has proved a commercial success as the town has grown.

While parents shop at the Carrefour store (below) in the expanding west Swindon district centre, children occupy their time on the specially-built play area.

Raymond Snoddy examines the town's cable TV service

Turn-on to an explosion of choice

THE switch-on of Swindon Cable's multi-channel service in September was more symbolic than real. The mayor was at the Brunel Centre to perform the task, but there were probably only about half a dozen subscribers to receive the new service.

It was, however, an historic moment. The handful of subscribers were the first in Britain to receive extra channels of entertainment and information over the "broadband" cable networks which the Government would like linked to form a "wired society" of the 21st century.

Swindon Cable is the first of the 11 multi-channel cable franchises, allocated by the Government last November, to actually get going. It will be well into 1985 and in some cases 1986 before most others transmit. There have been long negotiations with the Home Office and the Department of Trade and Industry over the terms of licences, and some had difficulty raising finance as scepticism on the cable revolution grew in the City of London.

But for a small number of people in Swindon, at least, the "explosion of choice" that cable promises is here. Subscribers prepared to pay £15 a month can receive 13 channels which includes Premiere, a channel of recent films. The basic service, which excludes the film channel, costs £7 a month.

Apart from the four traditional broadcasting channels—and two out-of-area ITV stations, subscribers receive: Music Box (pop music), Screen Sport, the Children's Channel, Sky (general entertainment) and Premiere.

Swindon also offers a channel for local news and comment, local teletext and stereo national and local radio.

New channels will be added as the market develops and eventually all of Swindon will have up to 30 channels of entertainment and information.

Mr Peter Gosling, chairman of Swindon Cable and managing director of Thorn EMI Cable Television, its parent, refused to reveal how many people have subscribed.

"We have got a reasonable amount of interest and a reasonable degree of take-up," he said.

The aim is to cable 3,700 homes by the end of November. Over three years, all of the area—about 53,000 homes should be "passed" by broad-band cable.

Mr Sebastian Crawshaw, chief executive of Swindon Cable (left), and Mr Richard Foley, display ads sales manager of the Swindon Evening Advertiser, with the 10 ft advert on TV programmes

There is likely to be a pause for consideration after the completion of the first slice of the network. "If we had a situation where it was an absolute thumb's down—which it's not—we would obviously have to take stock and think again," Mr Gosling said.

Swindon Cable is hoping it will be able to achieve a 40 per cent penetration in the fourth or fifth year. That would be the break-even point, with the £14m-£18m investment paid off by year eight.

At the lunch, Mr Sebastian Crawshaw, chief executive of Swindon, Cable, said the event was an historic landmark for development of television in the UK.

"Swindon has the reputation of being the launching ground for several notable communications systems—not least of which is the Great Western Railway, which celebrates its 150th anniversary this year. Swindon Cable is now on the eve of creating a new entertainments and interactive communications system for the local community which will eventually become the 'railroad' of the 21st century," Mr Crawshaw said.

Cable has a long history in Swindon. It began in 1928 when a company called Radio Relay transmitted two radio channels on a wire around the town. Because radio sets were not freely available then, a loudspeaker and a volume control were provided for each home. The service grew into a television relay service for the existing channels.

In 1981, Swindon was one of the towns granted Home Office licence for experiment of subscription television services. The service offered six "off-air" channels and a local channel of non-stop feature films in the evenings and at weekends.

The pilot schemes were not, however, a commercial success—partly because they were too small and too short-lived to justify intensive marketing.

Apart from winning the new cable franchise for the area, Swindon Cable was also given permission to carry additional services on its existing cable network in the town. This carries 10 channels and passes about 23,000 homes. It will be replaced gradually by the 32-channel, fully interactive system.

The accent is on trying to persuade people to pay up to £165 a year on extra entertainment—there is a discount for paying in advance.

A folding, 10 ft Saatchi and Saatchi advertisement in the Swindon Evening Advertiser introduced the company to local people, giving illustrated details of the channels that Swindon Cable would be offering.

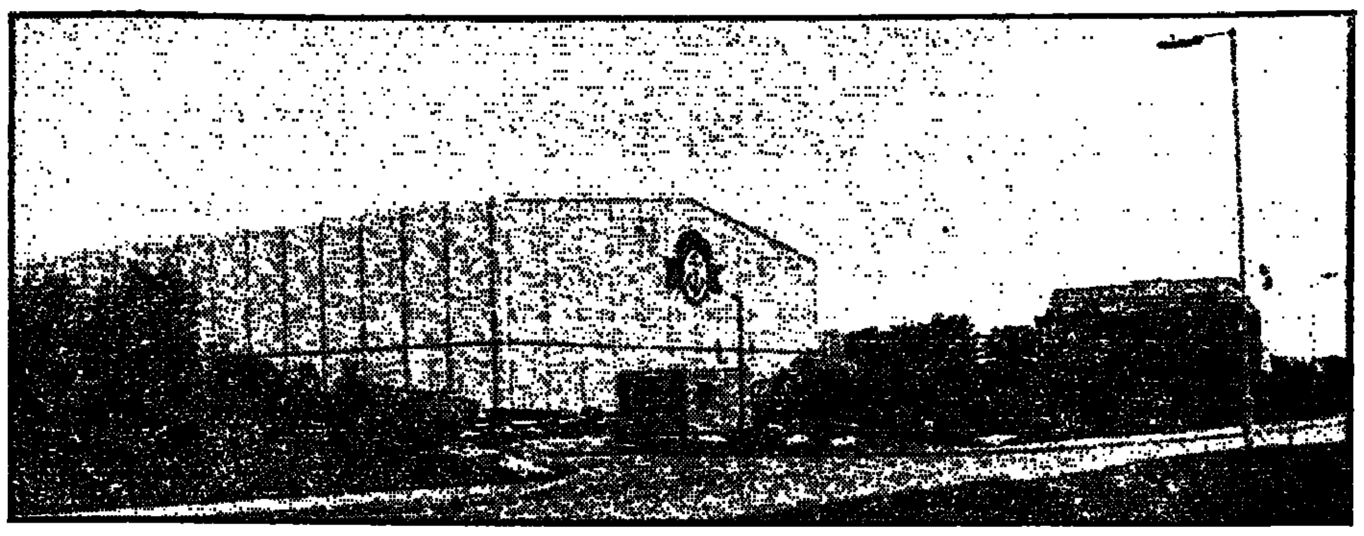
But the battle for subscriptions will be mainly won or lost on the doorstep, as teams of salesmen try to push the subscription rates towards levels which would be commercially viable.

Swindon Cable has already shown it is sensitive to the wishes of subscribers. More than 100 complaint calls were received when Television South was dropped to make way for the sports channel on the existing cable network. A referendum was held to decide whether TVS or Central, the Midlands ITV company, should be carried and Central won by a considerable majority.

Swindon Cable is hoping that its ability to identify with the local community will be an important selling point.

In the summer, the Swindon station carried live coverage of the NatWest Trophy cricket match between Wiltshire and Leicestershire and the cablecast was sponsored by National Westminster Bank. Both Swindon Cable and the Home Office welcomed the sponsored programme as the forerunner of how cable could offer a cost-effective form of local television.

The eyes of the whole cable television industry are likely to be on the Wiltshire town to give an early indication whether multi-channel cable is to be a commercial disaster or a feasible long-term investment.



The new £15m processing plant set up by Anchor on a greenfield site

Upping Anchor to a new home

THE New Zealand Dairy Board showed considerable confidence when it set up the Anchor Foods processing plant on a greenfield site at Swindon, which came into operation in 1980.

The board has been facing a tough commercial and political battle to maintain sales to the protected EEC markets since Britain joined. The butter quota has more than halved exports to the UK to 85,000 tonnes and these continue to decline. Cheese quotas, after being cut altogether, have been set at 9,000 tonnes, a fraction of former levels.

Processing was moved from a number of other sites, including Tooley Street, London, a one-time centre of the trade. The move also coincided with metrication of dairy product packaging and developments in specialised packets for milk products.

The plant is fully operational, since the last London activities were closed and transferred to Swindon. Total investment is £15m and some 300 workers are employed.

The plant will be able to cope with all the present butter quota, both in the familiar 250 gramme packs and those individual portions which appeal to the catering trade but exasperate the customer and seem to reduce butter consumption more than any other factor.

New Zealand sales of cheddar cheese in the UK was 70,000 tonnes before EEC membership began in 1973. This was reduced to nil at the end of the transition period but in subsequent negotiations, the EEC agreed to the import of 6,500 tonnes for sale to consumers and 3,000 tonnes for processing.

This cheese is packed mainly as mature cheddar up to two years old, adding the greatest value to the restricted quantity imported.

The imports are dependent on political goodwill, so Anchor Foods is diversifying into other lines involving products from within the Community. For instance, UHT cream from Belgium is being packed in aerosol tubes.

There are plans to expand the product range by trading contract work. This is claimed to be the largest and most modern plant of its kind in Europe, and probably in the world, and any dairy products could be processed irrespective of origin.

Of immediate anxiety are efforts to reduce the EEC butter mountain at present standing at 1.2m tonnes. Cheap butter on sale for Christmas could cause a serious problem as consumers store the special supplies, upsetting subsequent sales. This also disturbs British manufacturers.

Even more worrying are moves to shift more EEC butter onto the world market. A scheme is being prepared to sell long-store butter at about two-thirds of the GATT minimum. This will have been in an intervention store for at least 18 months, but according to the New Zealanders it will be snapped up, particularly by the Russians, the only large buyers left.

New Zealand had agreed to share the world market with the EEC and the U.S., and this move by the Commission could slash prices. The butter, if properly stored, would be virtually indistinguishable from fresher stock. The effects on markets could be disastrous, particularly in view of the decline in consumption in the UK and other countries.

Closures

In Britain the decline has been caused mainly by the rise in prices, since joining the EEC. The drop in consumption has been spectacular, from 490,000 tonnes in 1974 to just over 300,000 in 1982—and it is still falling. This has put great pressure on the home dairy industry, involving factory closures and continuing agitation by farmers and manufacturers for acceleration of cuts in the New Zealand quota.

This is fully in the minds of the New Zealand Dairy Board, but in the difficult conditions of the world dairy trade—mainly through EEC over-production—the board has to make the best of the market. The Swindom plant has enabled rationalisation to be pushed to the limit.

John Cherrington

Butter packing machinery at the new plant

Robin Reeves and **Lorne Barling** profile some of the high-tech high fliers in the town

Anti-UK bias proved wrong

logica

IN 1979 Logica, a young British company with a rapidly-growing reputation in computer consultancy and software development, decided to hive off its word processor division as a separate company, Logica VTS.

The company had just completed an ambitious project for Unilever—installation of a computer system to automate the group's typing pool. This was based upon research into how a typing pool operated (as opposed to how a computer-person might think it worked).

In the words of Mr Gordon Olson, managing director of Logica VTS "we discovered we were into the finer points of word processing."

The outcome was Logica's arrival in Swindon not only to market what was an advanced multi-user, shared logic, word-processing system but also to develop and manufacture what has become a successful stand-alone word processor—the VTS 2200—winner of the Queen's Award for Technological Achievement in 1983.

"We didn't believe the mythology that UK was no longer the right place to establish a manufacturing base," Mr Olson comments.

Swindon offered what the company was looking for: fast rail and road communications with central London and an international airport, an available workforce with some of the skills required, and a 65,000-sq ft factory-office complex ready for occupation and with planning consent for substantial expansion.

Starting with a nucleus of 50 people, Logica VTS today employs 300 in research, development, manufacturing and marketing at its Swindon headquarters and is gearing up to expand output of two recently-launched, new-generation products — the Kennet multi-function workstation and the Polynet office system.

With the VTS 2200, Logica's feat has been to capture an estimated quarter of the UK word-processor market, previously dominated by IBM and Wang, the large U.S. manufacturers, and Phillips and Olivetti in Europe.

From a near-standing start in 1979, its turnover was £10m in mid-1983, the last published figure. But, according to Mr Olsen, growth has continued since then to £69m, in line with Logica's overall 50 per cent expansion in turnover, for the year ending last June, which pushed profits from £3.2m to £5.2m.

The microcomputer market has been expanding rapidly. But well-designed, price-competitive products are not enough for a small company. Logica's exceptional growth and rapid success has come through an early strategic decision to market its machines through original equipment manufacturers, ICL and British Telecom Merlin, benefiting from their well-developed marketing and sales capability. The result is that only about 30 per cent of output is sold under the company's label.

At the same time, it has done well in export markets, particularely France, where the VTS 2200 has been distributed by Jistral SA, a subsidiary of Jeumont Schneider.

The new Kennet combines the functions of word processor, workstation and personal computer. BT Merlin has already placed a £10m order for the new machine, which it is marketing as its M4000 WP range.

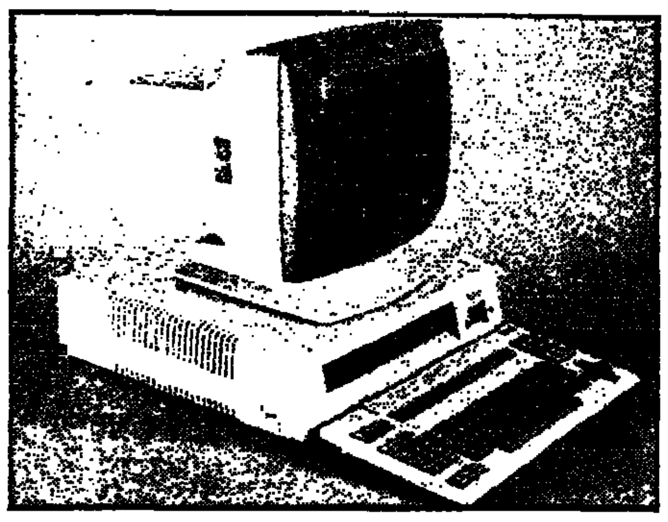
ICL's position has still to be clarified, but demand for the VTS 2200—marketed by ICL as the DRS 8801—remains strong.

Logica is not finding it necessary to add to manufacturing space or its workforce in spite of its rapid expansion in Swindon. By reorganising the factory layout, judicious investment in automatic assembly equipment, and increased shift working the company plans to step up capacity from 12,000 systems to 30,000 system a year, with a direct manufacturing workforce of only 100.

Logica plans to continue concentrating manufacturing for the high-quality end of the market — sophisticated multi-function workstation products, handling text, data and communications. It has no intention of entering what it sees as the excessively competitive cheap micro and home computer markets.

Although not generally an acquisitive company, it is a measure of Logica's manufacturing confidence—after only five years in a competitive market—that it recently took on a new manufacturing challenge. It bought Intelligent Technologies of California, manufacturers of integrated communications devices for linking IBM personal and main frame computers.

R.R.



A £10m order has already been placed for the Logica Kennet microcomputer

Riding the microprocessor recovery

intel

INTEL, one of the world's leading micro-processor companies, which has its UK sales and European marketing headquarters in Swindon, was relatively early among the high technology concerns attracted to the town. It bought a large and well-placed site and completed the centre in 1978.

Only 36 people were employed at the start, but this has risen to 380, and by the end of the decade the company expects a UK staff of about 1,000, mainly in Swindon.

This is against a background of rapidly rising turnover for the U.S. parent company, which was a pioneer in microprocessor development and continues to be among the leaders in terms of technology and volume.

Intel has three divisions in Europe, one dealing with components, one with microprocessing equipment and the other with computer and electronics systems. The first is based in Munich, and the other two in Swindon.

European revenue represents around 25 per cent of Intel's world market, with Britain taking a leading share of this. Demand here is growing faster than other European countries.

"For example, for the kind of computer systems we supply, the demand in the UK is considerably higher than in West Germany," the company said.

It has a wide range of local customers, including IBM, ICL, defence equipment manufacturers such as Plessey, office equipment makers, and suppliers of control systems for manufacturing plant. Intel's main competitors are Motorola and National Semiconductor, which has recently set up in Swindon.

Intel is expanding in the town. A training centre has been set up on a site at Dorcan, the sales headquarters are being moved to an 18,000 sq ft building on the Windmill Hill Business Centre. The company is also building a second block on its 11-acre Pipers Way headquarters site to accommodate its European distribution activity, and ultimately it is planned to bring all local functions back to these buildings.

There is a duty-free zone within the complex, which allows products to arrive in Swindon and be reshipped abroad without incurring UK excise duties.

Intel had an overall international revenue of more than $1.1bn (£901m) last year and the figure for this year is expected to be considerably higher, reflecting the rapid recovery of worldwide microprocessor markets.

The company believes it has a decisive lead in the 16-bit market with its newly-developed 80286 microprocessor, which is said to have had an excellent market response.

"Almost all computer manufacturers are using it in new machines," the company said.

From a distribution and business point of view, Swindon had proved to be an excellent location, particularly in view of its proximity to the London airports.

The Intel buildings, on a virtually rural site, could be a typical example of high-tech industrial development in the area, with a large proportion of the high-quality space taken up with offices and the remainder for repairs and service. The test and development area will be expanded to allow work on "customised" products for customers in Europe.

Overall, Intel's presence in Swindon has been important in the confidence it has created for other electronics concerns to come to the area.

L.B.

Automation keeps down jobs growth

RAYCHEM, A world leader in the manufacture of treated plastics, mainly for electronics applications, has grown steadily since it moved to Swindon from the London area in 1966.

The company is a subsidiary of Raychem of Menlo Park in the heart of California's Silicon Valley. It has a workforce of 1,250 and has recently announced new expansion.

Raychem made its initial breakthrough with the irradiation of plastics, which allowed cables to have thinner and lighter insulation. This was important to the civil and military aerospace industries, which are big customers.

Raychem

Swindon is the company's European research and development headquarters, comparable in size to its U.S. R and D facility. About 10 per cent of the UK operations' turnover of £70m a year is devoted to pure research.

This has led to the development of a series of important products, such as a range of heat-shrinkable plastics for protecting electronic or mechanical products. Applications range from satellites to gas pipelines, the power industry and defence uses.

Raychem manufactures connection devices and has developed polymers for insulating wire and heat-recoverable metals, which can be used to create the equivalent of a weld through chemical processes.

The company has an annual revenue of about $700m (£573m), with plants in France, Belgium, Germany, Holland, Denmark and Ireland, a presence in the Middle East. Its overseas activities are larger than those in the U.S.

Raychem operates on five sites in Swindon, having recently acquired the former Clover Leaf building on the Cheney Manor Estate. This will be redeveloped and linked with an existing unit to add 40,000 sq ft to the 750,000 sq ft the company has on three estates.

Swindon is involved in the production of virtually all the company's wiring cable supplied in Europe, exporting about 60 per cent of output.

The company's expansion in Swindon has come about largely because of its phenomenal growth, which has been running at about 25 per cent a year. A high degree of automation has meant this has not been accompanied by a large increase in the workforce. Latest developments are expected to create about 100 jobs over the next few years.

L.B.

Output expected to treble in 5 years

NATIONAL Semiconductor, one of the world's leading producers of microprocessors, is the latest high-technology company to locate an important part of its international activities in Swindon.

The company has recently completed the transfer of its European marketing and distribution operations to the town and in the short term is employing nearly 200 people, about half of whom have been moved from its European headquarters in Munich.

Pauline Hamill, a vice-president of the company and a group director in the semiconductor division, has been in charge of the £1.5m investment and move to Swindon, and herself moved from Munich.

The main objective of the move is to use Swindon's central location as a clearing house for the large number of varied products being sold in Europe. A highly computerised handling system has been installed.

This comes at a time when demand for semiconductor and micro processors in Europe is expected to rise sharply, particularly in Britain. A recent report has estimated the UK semiconductor market in 1984 at $1.1bn and is forecasting a sales growth of 55 per cent next year. Miss Hamill said the company's turnover would probably treble in the next five years and there would be a considerable increase in the workforce.

A key factor in the choice of Swindon was the proximity to Heathrow and Gatwick airports, according to Miss Hamill, since they offered the 24-hour service necessary for fast movement.

The new centre will also include a technology support applications group, considered to be increasingly important to customers requiring customised systems. The present design centre at Bedford will be moved to Swindon and expanded.

Design centres of this kind are an important extension to the market for logic arrays, allowing customers greater product flexibility. They have been established by National Semiconductor in a number of cities, such as Munich, Paris, Milan and Stockholm.

The company has recently invested about £100m in manufacturing plant at Greenock, Scotland. The rising value of the dollar against European currencies is encouraging further interest in UK investment, Miss Hamill said, although this had to be seen within the company's strategy for Europe.

Last year, National Semiconductor achieved worldwide sales of $1.2bn and invested $246m in research and development, providing a range of new, high technology products such as its 32-bit microprocessor.

Other new products include gate arrays, offered in a number of families ranging from 600 to 6,000 gates. There is also a new line of logic circuits which offer high speed with low power costs for use in the data processing and communications industries.

However, the product which will probably become the best known in this country and marketed through Swindon is the 32-bit microprocessor. The NS 32032 has been designed for

National Semiconductor

systems which need to manipulate large data bases at high speed beyond the capabilities of eight- and 16-bit microprocessors.

It features 32-bit internal and external architecture along with the ability to support high-level languages, advanced operating systems and large memory spaces. Areas of use will continue to encompass tasks formerly the domain of minicomputers. This includes engineering workstations, business and professional computers, graphics systems, CAD/CAM systems, intelligent terminals and military systems.

Over the past few years, National Semiconductor has carefully expanded into all areas of high-growth, high-volume industrial, computer, consumer, telecommunications and military/aerospace markets throughout the world.

Its production facilities are geared to high productivity illustrated by the spending of a large part of its investment at Greenock improving quality on five production lines.

"Quality has played a major part in the national success story," the company said. "At a time when the industry's defect average was running at 8,000 to 10,000 parts per million, National had reduced theirs to 150 parts per million."

L.B.

FINNS START TO FLY ● ESSILOR UP 146 PLACES ● UK COMPANIES LESS DOMINANT

FOR THE third year running, Europe's biggest publicly quoted companies are ranked in the FT 500.

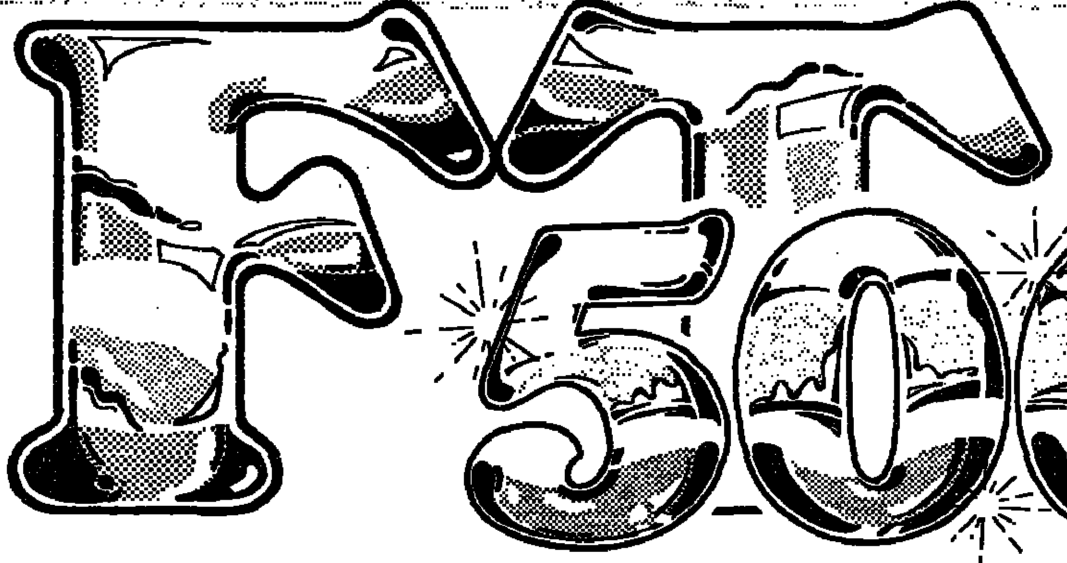
In two main lists, the European 500 and UK 500, companies are ranked by market capitalisation taken as an average for the month of June. This yardstick is the best guide to the company's worth in the eyes of investors. It is a sensitive guide to performance over time.

Moreover, market capitalisation gives proper weight to banks, whose positions are distorted in lists based on total sales.

In the European list, values are stated in U.S. dollars to make comparisons possible — an exercise which this year understates the figures in relation to last year's list because of the depreciation of European currencies.

The survey also analyses the key figures on each company — turnover, profits, employment and return on capital.

The stock market varies in importance from one country to another. In the UK it is strong and active, in Germany banks play a larger part in corporate finance and in France and Italy many of the biggest businesses are state-owned. To take account of these, we include for the second year a list of the top 100 European enterprises, whether publicly or privately owned, ranked by total turnover.

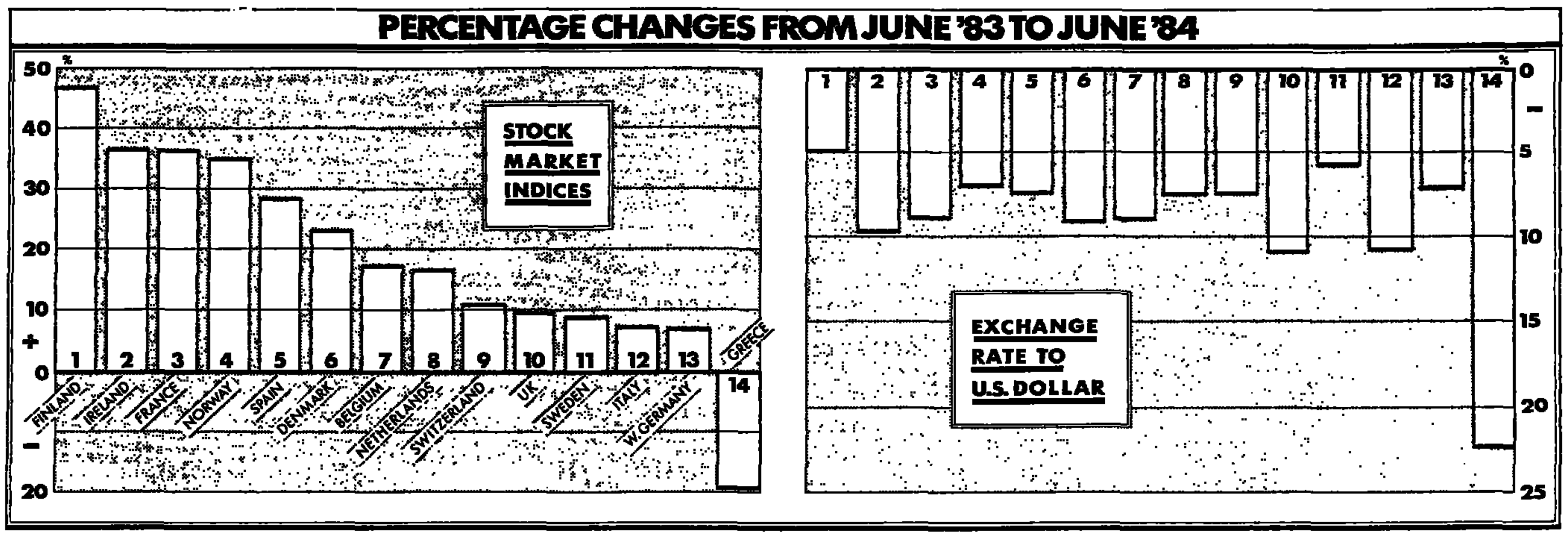


FINANCIAL TIMES SURVEY

IN THIS SURVEY

Europe rides the back of the bull

BY STEFAN WAGSTYL



EUROPE'S top 500 companies are together worth more than ever on Europe's stock markets.

Riding the crest of economic recovery, bourses in all 14 countries surveyed — except Greece—advanced in the year to the end of June. Most reached all-time records during the 12 months.

The market values of the leading 500 companies moved ahead accordingly. To join this year's list a company had to be worth at least $145m, against $142m last year. The increase is greater than it appears since most European currencies have depreciated against the unit of measure, the U.S. dollar, over the year.

As the bourses raced ahead some companies moved faster than others. There are 48 new entrants in the FT 500 and top of the class is international news agency Reuters, now a publicly-quoted company and in at 92. The first Greek company comes in at 394—the National Bank of Greece.

Among those which have been forced to make way for the newcomers is Dunlop, the once-mighty rubber company.

At the top of the 500, Royal Dutch/Shell and British Petroleum increase their lead, but Daimler-Benz overtakes GEC to take third place. Glaxo loses a little of its glamour rating, dropping out of the top ten, its place taken by BAT Industries.

The most spectacular gains have been made by companies from Finland, buoyed by a bourse which rose 47 per cent and a currency that depreciated only 5 per cent against the dollar—the lowest of the 14 countries surveyed. There are now 12 Finnish companies in the FT 500, up from 7 last year: the highest placed are two banks—Kansallis Osake Pankki, up 160 places to 161, and the Union Bank of Finland, up 106 to 181.

Among the larger stock markets, Paris made the greatest gains as investors' initial fears about President Mitterrand's Socialist government receded.

Lens maker Essilor, up from 412 to 262, and consumer credit group Bancaire, up from 308 to 178, made two of the biggest leaps up the middle reaches of the 500.

Nearer the top, L'Oreal, the health and cosmetics group, the BSN food group, Esso Francaise and Pernod Ricard overtook some other distinguished names of European business.

French investors clearly had a fancy for food, fashion and leisure: among nine new French companies in the list for the first time were Accor International (hotels), Promodes (clothing shops) and Martell (brandy).

The UK features prominently in the European 500 with 223 companies on the list, quoted on a stock exchange which is far more active than any on the Continent. It is no surprise that British companies head the ranks of both best and worst performers. Booker McConnell, a food company subject to a takeover bid, is up 180 places to 278. Barratt Developments, a housebuilder which overestimated its market, is down 220 to 360. Empire-building holding companies BTR and Hanson Trust continue their climb up the rankings—BTR to 16, and Hanson to 37.

However, the UK's dominance is slowly slipping, with the number of companies down from 229 last year and 234 the year before. In part this is due to the decline in the pound, and in part a result of the growing capitalisation of other European bourses.

In Germany, the stock market highlight was the failed bid by the Allianz Versicherung insurance group for the UK insurer Eagle Star. Allianz moved up 5 places to number 25 in the 500 and sparked a general rerating of insurers notably of Victoria Lebens and Colonia Versicherung. The ripples spread abroad to the Dutch companies Nationale-Nederland and Aegon (a new group born of a merger) and to the depressed UK insurance industry, where the ranking of Phoenix Assurance among others improved.

While developments in insurance were exceptional, a glance across other European industries also finds evidence of cross-border movements in market sentiment. Broadly, the swing of the economic cycle has brought back into favour many cyclical stocks unloved a year or two ago. Investors have looked more critically at one-time favourites, notably in high-technology.

The shift is clearest in Sweden where electronics groups Astra and L. M. Ericsson, and pharmaceuticals companies Astra and Pharmacia have slipped back, while companies in older industries have moved up—Volvo, Saab-Scania, Electrolux and Sandvik.

Elsewhere, Dutch steelmaker Hoogovens, German tyre-manufacturer Continental Gummiwerke, and electrical group AEG-Telefunken have bounced back.

There are of course high technology companies which have bucked the trend running against them—Olivetti in Italy, Philips Kommunikations Industrie in Germany and BSR in the UK are all up.

The economic cycle has brought oil and chemicals companies back into favour. Elf Aquitaine, Norsk Hydro, Solvay and Akzo have all moved closer to Shell and BP at the top of the list. Lower down the rankings, exploration-orientated companies have leapt about with Lasmo and Ultramar coming down, and Charterhouse Petroleum shooting up.

Banks have had a mixed year. Spanish and Belgian financial groups are up, but the big four UK clearing banks are down in the wake of unfavourable tax changes. The Swiss banks are unmoved.

Finally, good news for the British Government planning the public flotation of British Airways. The publicly-quoted airlines KLM, Lufthansa and Swissair all jumped in the rankings.

● STATISTICAL information for this survey was compiled by Dick Whittington, Anne Duffield, Sue Hopkins, Vicki Sutcliffe and Ian Halliday, with assistance from the staff at Extel Statistical Services, in particular Derek Fitches. The survey was co-ordinated by Stefan Wagstyl and Carla Rapoport.

● FOR REPRINTS (Price £10), which will include addresses, telephone and telex numbers of the companies listed, contact Nicola Banham, The Financial Times, Bracken House, Cannon Street, London EC4P 4BY.

1-200

Ranking 1984	Ranking 1983	Company	Country	capital $m	Sector	Rank-ing	Turnover this year $m	Turnover last year $m	% change	Profit this year $m	Profit last year $m	% change	ROCE	Year end	Employees
1	(1)	Royal Dutch/Shell	NET	43,588.3	51	1	85,822.1	78,573.7	11.7	10,871.0	8,391.0	29.9	28.8	31.12.83	156,000*
2	(2)	British Petroleum	UK	11,960.4	51	2	44,687.8	40,404.5	10.6	3,571.3	3,174.7	12.5	18.2	31.12.83	131,600*
3	(4)	Daimler-Benz	GER	7,022.6	9	10	14,604.0	14,204.2	2.8	1,589.9	1,563.8	-0.9	26.3	31.12.83	184,877
4	(3)	General Electric Company	UK	6,906.4	5	24	6,611.0	6,371.4	3.8	923.5	923.3	—	33.1	31.3.84	131,752
5	(5)	Siemens	GER	6,249.2	4	11	14,410.7	14,642.7	-1.6	668.3	607.5	[illegible]	[illegible]	[illegible]	313,000
6	[illegible]	Union Bank	SWI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7	[illegible]	Nestle	SWI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8	[illegible]	Imperial Chemical Industries	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9	[illegible]	Unilever NV/PLC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10	[illegible]	BAT Industries	UK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
11–200	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

The basis for the lists

● Rankings

The rankings for the European and UK 500 tables are based on market capitalisation using June average figures supplied by Datastream and end-of-June figures supplied by the Belgian, Finnish and Spanish Bourses. Where two or more companies have the same market capitalisation, ranking has been determined by turnover or, where turnover is not available, by profit. Companies more than 70 per cent owned by another or with a particularly small proportion of equity being openly traded have been excluded from the lists.

● Currencies

The UK 500 figures are in Sterling. The European 500 and European Turnover table figures are shown in U.S. dollars. The June average exchange rates used have been provided by the F.T. Statistics department.

● Consolidation of Accounts

Whenever possible, consolidated accounts have been used. When Parent company accounts or domestic consolidation only have been reported, these figures have been used with a footnote.

Turnover: Whenever possible, sales figures, net of sales taxes and intergroup sales have been used.

Profit figures, whenever possible, are shown before tax, minority interest and extraordinary items. Belgian, French, German and Swiss company profits figures have in most cases been arrived at by adding back tax to the year's net profit. They are, therefore, shown after extraordinary items. Italian figures are net profit.

● Return on capital employed

The ROCE figures have been provided by Extel Statistical Services. Calculations are based on capital employed at the beginning of the year and profit before interest and taxation unless otherwise stated. For financial companies, the capital employed figure used is shareholders' funds.

● Belgium

Due to a technicality, market capitalisation figures used in last year's table for some of the Belgian companies were incorrectly stated. As a result, the rankings of these companies was misleading. To give a more realistic picture of the movement of these companies within the table, a restated ranking for last year has been given.

Exchange rates

Country	June 1984	June 1983	% Change
GRE	108.781	84.3682	−22.3682
UK	0.726	0.6454	−11.102
Italy	1693.643	1509.6705	−10.863
Ireland	0.8951	0.8074	−9.798
Denmark	10.0483	9.1242	−9.197
France	8.4167	7.6659	−8.92
Belgium	55.8038	50.9114	−8.767
Netherlands	3.0876	2.8556	−7.514
Switzerland	2.2828	2.1119	−7.486
Norway	7.816	7.2619	−7.089
Germany	2.7393	2.5486	−6.962
Austria	19.232	18.06	−6.094
Spain	154.818	143.2189	−5.811
Sweden	8.1014	7.6306	−5.811
Finland	5.8228	5.336	−4.967

Average $ exchange rates for June 1983 and June 1984

Sector codes

2 Building Materials
3 Contracting/Construction
4 Electricals
5 Electronics
6 Mechanical Engineering
8 Metals/Metal Forming
9 Motors
10 Other Industrial Materials
11 Diversified Industrial Holdings
12 Services
22 Brewers/Distillers
25 Food Manufacturing
26 Food Retailing
27 Health & Household Products
29 Leisure
32 Newspapers/Publishing
33 Packaging/Paper/Timber
34 Stores
35 Textiles
36 Tobacco
39 Other Consumer Products
42 Chemicals
44 Office Equipment
45 Shipping/Transport
51 Oils
55 Utilities
62 Banks
63 Discount Houses
65 Insurance, Life
66 Insurance, Composite
67 Insurance Brokers
68 Merchant Banks
69 Property
70 Other Financial
81 Mining Finance
91 Overseas Traders

201-300

Ranking 1984	Ranking 1983	Company	Country	Market capital $m	Sector	Rank-ing	Turnover this year $m	Turnover last year $m	% change	Profit this year $m	Profit last year $m	% change	ROCE	Year end	Employees
201	(183)	Holderbank	SWI	455.5	2	166	1,201.7	1,256.9	−4.4	94.6	100.6	−6.0	9.9	31.12.83	17,700
202	(180)	RMC Group	UK	448.0	2	139	1,444.1	1,273.9	13.4	98.6	61.7	60.0	23.1	31.12.82	18,199
203	(184)	Fisons	UK	447.3	42	260	503.3	482.7	4.3	43.0	29.1	47.8	20.0	31.12.83	7,496
204	(149)	Johnson Matthey	UK	444.9	8	110	1869.1	1439.0	29.9	50.4	55.1	−8.5	12.2	31.3.84	[illegible]
205	(207)	Sun Life Assurance Society	UK	441.8	65	—	NR	NR	—	13.8	11.1	23.5	NR	31.12.83	2,359
206	(240)	AEG	GER	439.4	5	37	4208.5	4840.1	−13.0	27.1	(18.2)	—	5.5	31.12.83	87,230*
207	(162)	Wimpey, George	UK	438.1	3	101	2038.4	1707.9	19.4	62.0	62.9	−1.5	9.5	31.12.83	28,700*
208	(213)	British and Commonwealth	UK	434.9	45	284	482.4	481.5	00.2	80.6	50.7	58.9	17.3	31.12.83	10,204
209	(292)	Perrier, Source	FRA	430.8	25	272	466.9	382.5	22.1	35.6	24.6	44.9	25.0	30.9.83	8,000*
210	(219)	Dalgety	UK	426.7	25	43	3914.3	3514.9	11.4	72.3	62.9	14.9	16.4	30.6.83	20,163
211	(249)	Heidelberger Zement	GER	424.3	2	300	348.8	316.0	9.7	56.9	40.4	41.0	21.4	31.12.83	2,784
212	(259)	Solvay and Cie	BEL	424.0	42	51	3561.4	3186.1	11.8	178.4	127.9	39.5	13.3	31.11.83	N/A
213	(218)	MFI Furniture Group	UK	423.9	34	285	414.5	338.3	22.2	53.9	41.9	28.6	35.0	28.5.84	3,515
214	(194)	Habitat Mothercare	UK	423.3	34	255	517.1	336.0	53.9	42.2	26.6	58.4	28.1	28.3.84	10,419*
215	(287)	Coats Patons	UK	422.0	35	162	1223.0	1179.2	3.7	119.8	106.5	12.5	20.4	31.12.83	43,501
216	(226)	Soc Gen de Surveillance	SWI	421.0	11	279	440.3	388.3	13.4	52.4	48.1	8.9	29.6	31.12.83	12,943
217	(269)	Slough Estates	UK	420.9	69	—	NR	NR	—	27.8	22.3	25.0	6.7	31.12.83	324
218	(278)	Billerud Uddeholm	SWE	420.8	33	244	574.3	486.2	18.1	76.0	40.3	88.8	21.1	31.12.83	8,124
219	(302)	Laporte Industries	UK	419.0	42	318	264.1	215.4	22.6	41.5	28.5	46.0	23.0	1.1.84	3,515
220	(206)	Dowty Group	UK	415.0	6	247	554.3	578.9	—4.2	50.3	50.1	0.3	14.2	31.3.84	14,757
221	(333)	Woolworth Holdings	UK	414.9	34	118	1,747.8	1,548.1	12.9	40.5	8.4	382.0	9.3	29.1.84	51,846*
222	(204)	United Breweries	DEN	413.5	22	221	714.1	599.7	19.1	63.7	51.3	24.3	22.3	30.9.83	13,267*
223	(286)	Argyll Group	UK	411.0	28	96	2,087.5	1,889.5	10.5	55.2	35.6	55.0	29.1	31.3.84	31,748*
224	(228)	AGA	SWE	410.7	42	238	658.8	613.6	7.0	72.2	59.4	21.6	19.9	31.12.83	11,302
225	(232)	Societe Generale Banque	BEL	410.0	62	—	NR	NR	—	111.3	100.7	10.6	20.3 †	31.12.82	15,677
226	(337)	Rothmans International	UK	409.8	36	98	2,080.7	1,859.7	11.9	208.3	179.8	15.9	19.1	31.3.84	25,017*
227	(223)	Beiersdorf	GER	407.7	27	269	472.1	427.2	10.5	31.6	29.7	6.5	11.5	31.12.83	7,214*
228	(214)	BSI	SWI	403.7	62	—	NR	NR	—	21.5	19.6	9.8	14.2†	31.11.83	1,199
229	(384)	Dee Corporation	UK	402.5	26	109	1,910.3	1,253.4	52.4	39.0	23.4	66.7	21.1	28.4.84	21,678*
230	(168)	Carlo Erba	ITA	400.0	27	270	471.4	425.4	10.8	40.5	30.4	33.2	NA	31.12.83	6,934
231	(248)	Club Mediterranee	FRA	399.2	29	251	536.2	469.7	13.9	30.6	26.0	17.8	19.2	31.12.83	1,846
232	(241)	Lex Service	UK	398.4	9	163	1,222.4	914.7	33.6	52.8	27.5	91.5	29.8	1.1.84	8,408
233	(185)	Pargesa Holdings	SWI	398.2	62	—	NR	NR	—	14.1	8.5	65.7	NA	30.6.83	NA*
234	(238)	Carrefour	FRA	394.4	34	45	3,873.4	3,462.7	11.9	94.4	95.8	—1.4	29.5	31.12.83	27,000
235	(254)	European Ferries	UK	394.0	45	278	444.7	403.4	10.2	60.7	42.3	43.6	NA	31.12.83	7,816
236	(210)	Metallgesellsch	GER	393.5	8	49	3,578.0	3,558.4	0.6	21.3	5.7	274.3	6.6	30.9.83	22,123*
237	(205)	Electrocomponents	UK	392.7	5	327	178.1	139.4	27.7	30.6	24.0	27.4	47.1	31.3.84	1,796
238	(—)	Skandia	SWE	382.4	66	—	NR	NR	—	150.1	62.8	138.9	NR	31.12.83	5880*
239	(216)	Inchcape	UK	384.5	91	84	2432.3	2337.8	04.0	73.0	69.3	5.3	10.9	31.12.83	47393*
240	(343)	Bank of Scotland	UK	381.2	62	—	NR	NR	—	81.7	68.3	19.6	20.3†	29.2.84	9608
241	(227)	Michelin	FRA	379.5	9	32	4890.7	4349.3	12.2	(214.5)	(472.8)	—	4.4	31.12.83	124000*
242	(239)	Berliner Kraft und Licht	GER	379.4	55	217	728.5	694.8	04.9	31.3	53.7	−41.7	2.4	30.6.83	6394
243	(276)	Phoenix Assurance	UK	377.6	66	—	NR	NR	—	32.6	24.1	35.4	NR	31.12.83	3893
244	(192)	ICL	UK	376.6	5	172	1165.9	992.9	17.4	62.8	32.6	92.4	20.2	30.9.83	22551
245	(242)	Unigate	UK	376.2	25	83	2432.6	2289.2	6.3	78.6	60.2	30.7	16.2	31.3.84	39200
246	(175)	London and Scottish Marine	UK	372.1	51	311	296.8	331.8	10.5	123.8	156.5	−20.9	29.0	31.12.83	218
247	(270)	Smiths Industries	UK	371.8	6	253	524.3	531.5	−1.3	37.0	38.4	1.4	16.2	30.7.83	13862
248	(246)	Pearl Assurance	UK	366.4	65	—	NR	NR	—	25.0	19.6	27.4	NR	31.12.83	8806*
249	(289)	Guinness Arthur and Sons	UK	362.7	22	167	1201.6	1246.9	−3.6	81.0	65.1	24.3	18.1	30.9.83	13653*
250	(258)	Kemanobel	SWE	360.0	42	222	713.8	489.6	45.8	68.7	27.4	151.1	25.5	31.12.83	7226*
251	(259)	Norsk Data	NOR	359.8	5	344	113.4	78.2	45.0	18.3	8.6	113.3	38.6	31.12.83	1784
252	(235)	UNERG	BEL	357.6	55	226	693.5	624.6	11.0	41.7	34.1	22.3	13.5	31.12.83	3859*
253	(195)	Magnet and Southerns	UK	357.4	2	316	267.2	222.6	20.1	44.2	33.9	30.6	22.3	31.3.84	4903
254	(272)	Initial	UK	356.7	12	308	316.4	290.3	9.0	39.6	37.3	6.1	28.4	31.3.84	29991*
255	(225)	Deutsche Babcock	GER	352.1	6	75	2,588.4	1,973.9	31.0	19.3	(144.9)	—	6.0	30.9.83	24,784
256	(399)	Landis and Gyr	SWI	350.6	4	249	541.1	549.4	−1.5	21.6	14.2	51.4	4.2	30.9.83	15,114
257	(288)	Atlas Copco	SWE	350.0	6	185	996.6	877.8	2.1	31.3	43.6	−28.2	12.7	31.12.83	15,839
258	(314)	Debenhams	UK	344.0	34	192	941.5	849.2	10.9	45.0	27.0	66.8	11.6	28.1.84	18,675
259	(200)	Granada Group	UK	342.1	29	220	717.7	629.1	14.1	59.9	64.8	−7.6	15.9	1.10.83	13,975
260	(291)	Horten	GER	342.1	34	193	933.6	912.0	2.4	27.0	5.1	431.3	9.2	29.2.84	18,688*
261	(220)	Rentokil Group	UK	341.4	12	329	172.3	154.1	11.8	28.3	23.6	20.2	40.1	31.12.83	6,763
262	(412)	Essilor International	FRA	341.2	27	312	290.2	232.0	25.1	37.1	26.0	42.7	40.6	31.12.83	4,545
263	(326)	Rodamco	NET	341.1	69	—	NR	NR	—	17.5	10.3	69.7	7.3	29.2.84	N/A
264	(427)	Wartsila	FIN	337.3	6	195	930.4	663.3	40.3	84.8	45.1	88.8	17.7	31.12.83	17,606
265	(319)	Metal Box	UK	336.3	33	119	1,739.7	1,888.6	−7.9	96.5	72.3	33.6	15.9	31.3.84	38,428
266	(282)	Tate and Lyle	UK	335.7	25	82	2,456.7	2,685.7	−8.5	78.9	55.2	42.9	19.8	25.9.83	22,984*
267	(224)	Burmah Oil	UK	332.1	51	93	2,174.6	2,116.6	2.7	108.9	111.6	−2.3	17.1	31.12.83	22,984*
268	(335)	BIC	FRA	332.1	39	237	644.5	539.6	19.4	60.3	46.8	28.8	24.7	31.12.83	12,800
269	(238)	De La Rue	UK	329.3	12	293	373.4	311.1	20.3	51.5	43.6	18.0	23.0	31.3.84	10,770
270	(328)	Den Danske Bank	DEN	327.9	62	—	NR	NR	—	25.2	31.4	−19.9	12.0†	31.12.83	5,797
271	(263)	Allied Irish Banks	IRE	327.4	62	—	NR	NR	—	95.5	77.0	24.0	32.0†	31.3.84	9,100*
272	(283)	Lafarge Coppee	FRA	326.6	2	86	2,128.8	1,930.5	10.3	71.7	49.3	45.6	11.3	31.12.83	24,584
273	(280)	Harris Queensway	UK	324.7	34	309	310.4	237.5	30.7	35.8	22.5	57.0	31.4	24.12.83	3,865
274	(301)	Peugeot	FRA	321.7	9	20	10,122.6	8,941.2	13.2	309.4	(462.8)	—	—	31.12.83	203,000
275	(331)	Lyonnaise Eaux	FRA	320.8	55	133	1,534.1	1,185.2	29.4	50.8	47.9	6.1	8.8	31.12.83	3,055
276	(253)	Kwik Save Discount Group	UK	315.0	26	214	737.5	651.6	13.2	37.7	32.5	16.0	37.9	28.8.83	4,831
277	(368)	Thomson-CSF	FRA	314.1	5	—	24,326.0	27,232.1	−10.7	89.5	(237.2)	—	3.8	12.12.83	40,334
278	(468)	Booker McConnell	UK	307.0	11	141	1,421.4	1,333.2	6.6	34.6	26.1	32.4	22.8	31.12.83	13,160
279	(266)	Farnell Electronics	UK	306.4	5	346	86.6	62.0	39.7	21.7	14.4	51.2	58.3	29.1.84	1,392
280	(381)	Bank of Ireland	IRE	305.3	62	—	NR	NR	—	78.3	54.8	43.4	25.3	31.3.84	8,460*
281	(327)	Kredietbank	BEL	303.7	62	—	NR	NR	—	71.3	57.0	25.1	20.9	31.3.84	8,800
282	(196)	Charter Consolidated	UK	303.0	81	200	845.7	571.4	48.0	51.0	63.2	−19.4	9.1	31.3.84	22,134
283	(339)	Hachette	FRA	300.2	32	179	1,074.2	1,030.5	4.2	74.8	49.3	51.8	38.7	31.12.83	12,200
284	(265)	Brooke Bond Group	UK	299.2	26	157	1,258.4	1,313.5	−4.2	66.4	48.6	36.5	14.9	30.6.83	83,470
285	(262)	Hepworth Ceramic	UK	298.5	2	273	466.4	411.5	13.3	46.1	33.7	36.2	19.0	31.12.83	7,739
286	(303)	Ranks Hovis McDougall	UK	298.1	25	89	2,284.6	2,300.9	2.4	50.8	48.4	25.6	13.9	3.9.83	42,577
287	(374)	KLM	NET	297.0	15	128	1,607.6	1,546.8	3.9	33.4	13.2	152.7	5.2	31.3.84	18,625
288	(261)	Smith, W. H. and Son (Hldgs)	UK	296.5	34	116	1,777.0	1,200.1	48.1	59.8	36.8	62.6	17.8	2.6.84	21,538*
289	(243)	Holzmann, Philipp	GER	293.8	3	137	1,471.4	1,781.7	−17.4	65.8	63.4	3.8	13.2	31.12.83	37,850
290	(247)	Altana	GER	293.1	42	265	481.9	459.7	4.8	23.9	24.7	−3.2	14.4	31.12.83	6,766*
291	(294)	Generale Occidentale	FRA	290.3	28	55	3,257.3	3,038.7	7.2	61.3	35.8	71.0	10.0	31.3.84	25,000
292	(280)	Great Portland Estates	UK	290.1	29	—	NR	NR	—	20.7	21.7	−4.6	6.0	31.3.84	N/A
293	(279)	Baden-Wurtt Bank	GER	289.9	62	—	NR	NR	—	24.0	16.1	49.4	21.4†	31.12.83	1,895
294	(224)	HEW	GER	288.1	56	199	867.5	841.2	3.1	39.9	53.2	−25.1	2.1	31.12.83	5,968*
295	(256)	Bouygues	FRA	286.8	3	140	1,436.2	994.4	44.4	45.5	43.3	5.0	6.0	31.12.83	21,204*
296	(324)	Allied Colloids	UK	280.8	42	343	113.9	85.1	32.3	25.1	16.8	49.3	49.1	31.3.84	1,278
297	(285)	Harpener	GER	277.9	11	342	114.6	126.9	−9.7	18.9	17.8	6.2	14.8	31.12.83	345*
298	(277)	Autopistas del Mare	SPA	277.7	55	368	31.8	N/A	—	N/A	(11.6)	—	N/A	31.12.82	N/A
299	(299)	Banque Cantonale Vaudoise	SWI	276.9	62	—	NR	NR	—	20.4	18.5	10.7	13.1†	31.12.83	1,421
300	(313)	Kleinwort Benson Lonsdale	UK	276.4	68	—	NR	NR	—	29.9	27.6	8.2	NR	31.12.83	1,090*

FOOTNOTES FOR COMPANIES LISTED ABOVE

1 Royal Dutch/Shell, 60 per cent Royal Dutch Petroleum Company, 40 per cent Shell Transport & Trading. Turnover includes sales taxes and similar levies. 2 British Petroleum, turnover excludes duty and sales taxes. ROCE equivalent to 32.1 per cent before deducting production taxes. 6 Union Bank of Switzerland, parent company accounts. 9 Unilever NV/PLC, figs converted from Sterling to Dutch Florins using exchange rate of 4.23. 10 BAT Industries, 82/3 turnover includes duty and excise taxes. 13 Deutsche Bank, domestic consolidation. 14 RWE, turnover is after deducting energy levy. 15 Swiss Bank Corporation, parent company accounts. 22 Ciba-Geigy, profit is net of tax. 23 Credit Suisse, parent company accounts. 24 Hoffman-La Roche, profit is net of tax. 25 Allianz Versicherung, consolidated accounts do not include Allianz Lebens. 33 Barclays Bank, emp = UK only. 38 Great Universal Stores, ROCE based on profit before tax and interest. 40 National Westminster Bank, emp = UK only. 43 BMW, domestic consolidation. 48 Britoil 82 figs for five months to 31st Dec. 50 Imperial Group, turnover includes duties. 51 Zurich Insurance, parent company accounts. 52 Distillers Company, turnover is net of duty. 55 Royal Insurance, emp = UK only. 56 Sandoz, profit is net of tax. 69 Commercial Union, emp = UK only. 75 Winterthur Versich, first consolidated accounts. Last year's figs revised. 78 General Accident, emp = UK only. 79 Bayerische Vereinsbank, parent company accounts. 80 Lufthansa, domestic consolidation. 92 Reuters, floated June 4 1984. 96 Nordwestdeutsche Kraftwerk, domestic consolidation. 82/83 figs are for 15 months to 31 Dec. 98 Associated British Foods, 82/83 turnover restated by company to exclude Premier Group, disposed of on June 30 1983. 99 Trafalgar House, turnover includes inter company sales but excludes share of Associates. 124 Vew, domestic consolidation. 129 Electrowatt, parent company accounts. 130 Banco Espanol de Credito, profit is net of tax. 131 Redland, turnover excludes group share of Associates. 143 SKF, pre-tax profit is after exchange losses. 149 Bowater Corporation, following a de-merger with its U.S. interests in July 84, the name has changed to Bowater Industries. 152 Hambro Life Assurance, profit = amounts transferred from long-term assurance fund, net of tax. 157 BICC, turnover includes group share of Associates. 158 P & O, turnover includes net revenue on oil-related activity. 160 Sanofi, ROCE calculated using net interest. 162 Aegon, incorporated Nov 30 1983 through merger of Ennia NV & Ago Holdings. 165 Brown Boveri, profit = parent company. 173 Isar-Ampwerke, parent company accounts. 174 Northern Foods, 83/4 figs for 18 months to March 31. ROCE is p.a. 175 Bank Leu, parent company accounts. 177 Charterhouse J. Rothschild, incorporated Dec 21 83 through merger between Charterhouse Group and RIT & Northern. Figs are for Charterhouse Group only. 178 Banceire, total consolidation. 184 Group Bruxelles Lambert, 82 figs for nine months to Dec 31. Changes in principles of consolidation mean greater proportion of income from subsidiaries and lower tax charge. 188 Linde, domestic consolidation. 191 Swiss Volksbank, parent company accounts. 196 KHD, domestic consolidation. 206 AEG, formerly AEG-Telefunken. A 75 per cent stake in Telefunken was acquired by Thomson S.A. during 83. 207 Wimpey George, turnover restated to include group share of Associates. 209 Perrier Source, turnover includes VAT. 214 Habitat Mothercare, 82/3 figures for 39 weeks to March 27 83. 221 Woolworth Holdings, incorporated Sept 16 83 and acquired F. W. Woolworth plus subsidiaries. 82/3 figures are an annualised estimate for comparative purposes. 222 United Breweries, turnover is net of duty. 223 Argyll Group, formerly Argyll Foods. Merger with Amalgamated Distilled Products. 82 figs are pro-forma. 226 Rothmans International, turnover restated by company to exclude VAT, tobacco duties, all other state taxes and group share of Associates. 227 Beiersdorf, domestic consolidation. 229 Dee Corporation, formerly Linfood Holdings. 233 Pargesa Holdings, 82 figs for six months to June 30. 236 Metallgesellschaft, domestic consolidation. 238 Skandia, parent company accounts. 239 Inchcape, 83 turnover includes insurance subsidiaries. 241 Michelin, ROCE calculated using net financial expenses. 248 Pearl Assurance, profit is net of tax. 249 Guinness (Arthur & Son), turnover includes duties. 250 Kemanobel, figs using equity accounting method. 252 Unerg, parent company accounts. Profit is net of tax. 254 Initial, turnover includes group share of Associates. 260 Horten, 84 figs for 14-month period to Feb 29. 267 Burmah Oil, turnover is net of duty. 271 Allied Irish Banks, ROCE is before interest on loan capital. 280 Bank of Ireland, ROCE is before charging interest on loan account. 288 Smith W. H. & Son (Holdings), 83/4 figs for 16 months to June 2 84. ROCE is p.a. 290 Altana, domestic consolidation. 294 Hew, turnover is after deducting energy levy. 295 Bouygues, profit includes minority share of current and deferred taxes. 297 Harpener, partial consolidation. Emp = parent company. 300 Kleinwort Benson Lonsdale, profit is net of tax.

* See footnotes. † Return on Shareholders' Funds (before charging interest on Loan Capital). ‡ Previous year's figs adjusted for accounting changes. § ROCE on Capital Employed at year-end.

EUROPE FT 500 III

301-500

301 (396)	Continental Gummi Werke	GER	275.8	9	159	1,236.6	1,186.2	4.2	44.2	29.0	52.3	12.7	31.12.83	26,688
302 (293)	BHF Bank	GER	275.8	62	—	NR	NR	—	47.8	33.9	41.1	25.6†	31.12.83	1,911
303 (325)	Rheinelektra	GER	274.3	55	—	N/A	153.6	—	N/A	17.4	—	N/A	30.6.83	2,861
304 (356)	Colonia Versich	GER	273.4	66	—	NR	NR	—	16.8	18.4	−8.7	NR	31.12.83	5,155*
305 (312)	Hill Samuel Group	UK	272.6	68	—	NR	NR	—	34.8	27.7	25.8	NR	31.3.84	3,802*
306 (350)	Costain Group	UK	272.3	3	186	985.8	976.5	2.0	64.0	55.7	14.9	16.0	31.12.83	12,025
307 (305)	KKB	GER	272.3	62	—	NR	NR	—	39.2	42.0	−6.6	34.7†	31.12.83	3,330*
308 (258)	Dortmunder Union	GER	272.3	22	281	437.4	433.0	1.0	20.5	20.6	−0.7	8.7	31.12.83	6,237*
309 (211)	Mercantile House Holdings	UK	272.1	70	—	NR	NR	—	78.4	61.6	27.3	42.0	30.4.84	4,386
310 (304)	Banco de Vizcaya	SPA	270.8	62	—	NR	NR	—	70.9	62.7	13.2	20.7†	31.12.83	9,884
311 (351)	Mercury Securities	UK	270.2	68	—	NR	NR	—	29.3	23.8	23.0	NR	31.3.84	1,285*
312 (330)	Essolte	SWE	270.0	44	216	728.8	855.3	−14.8	40.1	44.5	−9.8	15.8	31.3.84	15,374
313 (306)	Bibby J. and Sons	UK	269.9	25	291	384.5	338.3	13.7	25.4	20.9	21.9	25.4	31.12.84	3,260
314 (284)	Casino	FRA	269.3	28	106	1,972.1	1,789.8	10.2	46.0	41.0	12.2	24.6	31.12.83	25,014
315 (315)	Matra	FRA	268.8	4	170	1,185.2	1,048.1	13.1	8.1	44.4	−81.8	11.3	31.12.83	6,065
316 (421)	Saatchi and Saatchi Company	UK	268.2	12	202	830.8	356.7	133.6	15.4	7.6	102.9	48.7	30.9.83	3,049
317 (465)	Wereldhave	NET	264.0	69	—	NR	NR	—	13.7	10.0	38.9	8.8	31.12.83	N/A
318 (376)	Credit Foncier de France	FRA	263.4	70	94	2,128.9	1,807.2	17.8	64.1	58.7	9.2	58.6	31.12.83	3,518
319 (316)	Gist-Brocades	NET	262.5	42	259	506.1	485.8	4.2	28.5	22.7	25.8	11.8	31.12.83	6,000
320 (307)	Bell, Arthur and Sons	UK	261.8	22	302	339.8	338.3	0.5	43.1	38.0	13.3	23.3	30.6.83	1,729
321 (479)	Hoogovens	NET	260.9	8	108	1,959.0	1,924.9	1.8	(20.2)	(48.9)	—	7.1	31.12.83	28,537
322 (466)	Charterhouse Petroleum	UK	260.1	51	380	25.4	28.3	−10.1	13.4	13.8	−2.7	20.4	31.12.83	58
323 (346)	IMI	UK	260.0	8	184	931.5	871.3	6.9	43.5	30.2	43.8	12.7	31.12.83	22,991
324 (297)	Italcable	ITA	258.9	4	328	177.1	145.2	22.0	14.8	14.2	4.2	NA	31.12.83	3,172
325 (428)	Kone Corporation	FIN	258.6	6	230	676.2	546.8	23.7	30.1	23.4	28.9	22.6	31.12.83	13,391
326 (399)	*Union Electrica-Fenosa*	SPA	258.5	55	201	834.2	774.4	7.7	54.7	68.1	−20.8	3.1	31.12.83	2,236
327 (244)	Northern Engineering Inds	UK	258.5	06	168	1,200.6	1,194.5	00.5	58.9	54.4	8.1	16.9	31.12.83	32,100
328 (290)	Vereins and Westbank	GER	257.4	62	—	NR	NR	—	20.8	24.8	−16.2	12.7	31.12.83	4,325
329 (266)	Nederlandsche Middenstand	NET	257.1	62	—	NR	NR	—	43.8	40.8	07.4	9.7	31.12.83	11,359
330 (281)	Tricontrol	UK	256.5	51	335	154.3	142.3	8.4	42.3	30.7	37.7	16.5	31.12.83	255
331 (373)	Pohjola	FIN	255.9	66	—	NR	NR	—	14.4	12.5	15.7	NR	31.12.83	2,441*
332 (271)	Toro Assicuraz	ITA	255.4	66	—	NR	NR	—	17.5	6.5	170.0	NR	31.12.83	NA
333 (399)	Royal Belge	BEL	253.9	66	—	NR	NR	—	42.9	47.8	−10.2	NR	31.12.83	2,467*
334 (380)	Alsthom-Atlantique	FRA	253.2	6	76	2,583.9	1,968.8	31.2	88.6	88.7	−0.1	16.1	31.12.83	43.100
335 (453)	Sound Diffusion	UK	251.1	4	361	17.8	12.4	43.7	7.8	4.5	73.6	56.7	31.12.83	426
336 (323)	Tractionel	BEL	249.9	5	350	70.1	68.6	2.1	27.8	24.9	11.7	18.3	31.12.83	1,280*
337 (309)	Wuertt Feuerver	GER	248.7	66	—	NR	NR	—	18.9	17.0	11.4	NR	31.12.83	3,361*
338 (323)	Taylor Woodrow	UK	248.2	3	190	958.2	838.5	14.3	49.5	39.3	25.9	11.0	31.12.83	11,489*
339 (260)	Contigas	GER	247.3	55	310	308.8	257.4	20.0	38.1	35.4	07.6	12.4	30.09.83	1,866*
340 (273)	Aare Tessin	SWI	246.7	55	299	353.7	293.1	20.6	8.3	8.4	−1.6	NA	31.3.84	NA
341 (284)	Flachglas	GER	246.4	2	275	461.9	430.5	7.3	25.4	25.0	1.3	8.4	31.12.83	9,691
342 (—)	Copenhagen Handelsbank	DEN	245.2	62	—	NR	NR	—	7.0	16.6	−57.7	2.1	31.12.83	5,958
343 (362)	Swedish Match	SWE	245.2	33	181	1,043.0	928.8	12.3	51.5	23.9	115.0	15.3	31.12.83	18,350
344 (357)	Banque Bruxelles Lambert	BEL	245.0	62	—	NR	NR	—	32.0	27.3	17.4	11.5	30.9.83	17,727*
345 (370)	Dawson International	UK	244.7	35	319	246.8	191.5	28.9	34.8	27.6	25.9	25.6	31.3.84	7,066
346 (495)	Rauma-Repola	FIN	244.4	11	183	1,011.1	1,013.4	−0.2	19.5	(22.2)	—	11.7	31.12.83	18,089
347 (345)	Brown, Boveri	GER	243.2	4	114	1,806.9	1,736.8	4.0	40.7	25.3	61.0	6.8	31.12.83	37,648
348 (347)	Jelmoli	SWI	240.5	26	—	NA	641.5	—	N/A	34.1	—	N/A	31.12.83	N/A
349 (—)	Cobepa	BEL	240.1	70	—	NR	NR	—	22.0	11.1	98.7	22.9	31.12.83	N/A
350 (357)	Stock Conversion	UK	239.5	69	—	NR	NR	—	23.9	20.0	19.6	7.0	31.3.84	155*
351 (441)	Smurfit Jefferson Group	IRE	239.0	33	207	766.4	559.7	36.9	14.3	15.9	−9.9	8.1	31.1.84	12,119
352 (332)	Pirelli International	SWI	238.7	9	—	NR	NR	—	15.0	13.2	13.4	N/A	30.6.83	67,624
353 (300)	SAI	ITA	238.3	66	—	NR	NR	—	12.0	7.1	67.6	NR	31.12.83	N/A
354 (—)	Promodes	FRA	238.2	26	88	2,358.9	2,097.0	12.5	36.7	30.5	20.1	30.8	31.12.83	5,813
355 (349)	Legrand	FRA	237.1	4	292	381.1	337.6	12.9	29.0	31.1	−6.8	21.0	31.12.83	12,000
356 (446)	Bofors	SWE	236.7	8	250	539.9	513.0	5.2	13.7	23.5	−41.8	7.9	31.12.83	11,036
357 (320)	FECSA	SPA	235.8	55	235	653.1	N/A	—	49.3	56.2	−12.3	2.9	31.12.83	6,573
358 (336)	Nottingham Manufacturing	UK	235.5	35	314	284.7	260.5	09.3	33.8	29.3	15.4	19.6	31.12.83	13,349
359 (344)	Lech-Elektrizitaets-Werke	GER	234.7	55	307	333.1	309.8	07.5	31.0	38.7	−19.9	4.8	30.06.83	1,778*
360 (140)	Barratt Developments	UK	234.1	03	223	706.4	531.4	32.9	71.9	55.4	29.9	24.0	30.06.83	5,279
361 (353)	Hoesch	GER	233.6	08	81	2,459.3	2,715.2	−09.4	196.8	20.5	—	N/A	31.12.83	35,300*
362 (341)	*Gotthard Bank*	SWI	231.5	62	—	NR	NR	—	15.6	15.4	01.1	11.0	31.12.83	532*
363 (274)	Ruetgerswerke	GER	230.9	42	164	1,222.0	1,135.1	07.7	16.7	20.1	−17.1	5.4	31.12.83	11.238
364 (383)	Sefimeg	FRA	230.2	03	—	N/A	22.9	—	N/A	18.1	—	N/A	31.12.83	280
365 (436)	*Electrobel*	BEL	230.0	03	—	NR	NR	—	28.0	23.4	19.9	14.2	31.12.83	N/A*
366 (371)	Ahold	NET	229.6	26	58	3,177.6	2,827.8	12.4	46.1	34.9	32.0	17.8	31.12.83	44,029*
367 (—)	Sterling Guarantee Trust	UK	229.1	69	—	NR	NR	—	22.7	11.9	89.8	8.7	23.03.84	11,202*
368 (379)	Lucas Industries	UK	227.5	09	122	1,676.9	1,680.7	−00.3	2.9	27.8	89.6	4.1	31.07.83	65,983
369 (355)	Carless Capel and Leonard	UK	226.6	51	338	137.1	112.7	21.7	6.8	3.8	80.4	10.0	31.03.84	386*
370 (—)	Union Credit Batiment	FRA	226.0	66	—	NR	NR	—	53.5	51.4	03.9	22.9	31.12.83	N/A
371 (404)	Havas, Agence	FRA	224.2	29	187	989.3	878.7	12.6	36.5	32.7	11.7	26.1	31.12.83	11,896
372 (322)	Avana Group	UK	221.0	25	320	245.3	191.4	28.2	23.0	17.4	32.6	37.6	31.10.84	4,581
373 (366)	London Merchant Secs	UK	220.8	69	—	NR	NR	—	18.1	10.8	67.1	6.6	31.03.84	120
374 (438)	Polly Peck (Holdings)	UK	219.4	11	347	85.7	32.9	160.1	34.0	14.6	135.1	94.6	3.9.83	442
375 (288)	Babcock International	UK	218.8	6	144	1,399.7	1,380.3	1.4	46.9	28.2	66.4	13.6	1.1.84	25,982
376 (442)	Lesieur	FRA	218.6	25	196	911.5	811.1	12.4	37.9	30.6	24.1	27.8	31.12.83	6,613
377 (—)	Martell	FRA	218.5	22	326	181.4	201.2	−9.8	10.0	13.3	−24.9	15.3	30.6.83	798
378 (—)	Dyckerhoff	GER	218.2	2	298	354.2	336.6	5.2	25.7	16.0	60.9	13.8	31.12.83	3,345*
379 (—)	Accor	FRA	218.0	29	189	965.9	785.4	23.0	28.3	N/A	—	N/A	31.12.83	N/A
380 (206)	Boliden	SWE	217.1	8	236	651.7	514.6	26.6	50.3	2.8	711.9	16.4	31.12.83	8,558§
381 (385)	Marley	UK	217.0	2	227	689.9	581.9	18.6	38.8	16.6	133.6	15.7	31.12.83	11,668*
382 (—)	Grindlays Holdings	UK	216.9	70	—	NR	NR	—	14.8	113.2	−86.9	16.3	31.12.83	9.824
383 (451)	Elsevier-NDU	NET	216.3	32	284	429.3	418.6	2.6	36.3	24.0	51.1	26.9	31.12.83	7,088
384 (419)	Sulzer	SWI	216.3	6	112	1,824.2	1,837.3	−5.8	(44.7)	13.1	—	N/A	31.12.83	32,192*
385 (—)	Fleet Holdings	UK	214.7	32	286	413.7	300.0	37.9	13.1	4.0	225.0	20.2	30.6.83	7,966*
386 (433)	Dixons Group	UK	213.3	34	263	483.1	369.6	30.7	28.3	19.3	46.5	22.0	28.4.84	4,221
387 (362)	Greenall Whitley	UK	212.8	22	296	356.4	312.1	14.2	33.1	28.5	16.0	11.6	30.9.83	8,439
388 (402)	Savoy Hotel	UK	212.6	29	354	59.6	51.7	15.4	6.1	2.5	144.1	17.5	31.12.83	2,651
389 (403)	Caledonia Investments	UK	211.6	70	362	13.3	14.0	−5.2	8.2	6.5	24.8	3.3	31.3.84	283
390 (472)	Gevaert Photo	BEL	209.6	42	—	NR	NR	—	15.7	20.1	−22.2	11.9	31.12.83	N/A
391 (361)	Gruppo Lepetit	ITA	209.4	27	331	162.7	137.4	18.5	6.4	8.7	−26.7	NA	31.12.83	2,456
392 (444)	Banco Popular	SPA	209.3	62	—	NR	NA	—	65.0	56.1	15.8	34.9†	31.12.83	8,894
393 (—)	Huhtamaki	FIN	208.5	25	304	335.2	333.0	00.6	6.9	15.1	−54.4	10.2	31.12.83'	4,513
394 (—)	National Bank of Greece	GRE	206.7	62	—	NR	NR	—	34.3	23.8	44.3	10.7†	31.12.83	NA
395 (416)	Steetley	UK	206.4	10	252	529.9	547.1	−03.1	32.0	12.9	148.3	13.9	31.12.83	6,648
396 (459)	Vickers	UK	206.3	6	198	902.4	903.6	−00.1	26.9	27.0	−0.5	9.6	31.12.83	22,206
397 (387)	CIT Alcatel	FRA	205.8	5	131	1,555.2	1,478.6	5.2	40.6	24.7	63.9	21.0	31.12.83	56,000
398 (367)	Italcementi	ITA	203.3	2	242	592.0	564.3	4.9	12.4	7.3	70.1	NA	31.12.83	4,125
399 (467)	Ratos Forvaltning	SWE	203.0	70	282	432.6	390.3	10.8	23.0	16.7	37.7	17.1	31.12.83	2,870§
400 (443)	Sofina	BEL	202.7	55	254	262.0	293.4	22.4	20.7	15.5	33.4	12.2	31.12.83	NA*
401 (496)	Telemecanique	FRA	202.3	5	281	500.7	459.6	9.0	25.8	22.8	12.0	22.7	31.12.83	8,345
402 (354)	Lahmeyer	GER	201.7	65	351	68.0	75.1	−9.4	17.5	15.8	10.9	13.8	30.6.83	552*
403 (477)	Schindler	SWI	201.5	8	200	791.6	727.7	8.8	38.7	34.4	12.3	10.8	31.12.83	22,332
404 (390)	Equity and Law Life Ass Soc	UK	201.2	65	—	NR	NR	—	6.3	5.1	21.4	NR	31.12.83	1,625*
405 (334)	Industrikreditbank	NOR	200.3	62	—	NR	NR	—	34.7	30.6	13.4	20.1†	31.12.83	576
406 (80)	Elkem	NOR	198.6	8	208	782.4	686.0	14.0	20.3	(39.7)	—	13.4	31.12.83	9,943
407 (388)	Norcros	UK	199.1	10	268	483.1	489.7	−1.9	45.5	39.0	16.6	25.5	31.12.83	12,759*
408 (468)	Associated Newspaper Hldgs	UK	198.2	28	286	503.6	361.0	39.5	22.7	16.0	42.1	14.4	30.9.83	10,030
409 (372)	Suedd. Zucker	GER	198.0	25	246	564.4	580.7	−04.4	24.9	27.9	−10.7	10.1	28.2.84	2,839
410 (418)	Helvetia	SWI	197.6	66	—	NR	NR	—	7.9	6.0	31.9	NR	31.12.83	2,011*
411 (340)	Kali-Chemie	GER	196.8	42	256	513.7	489.2	05.4	22.1	21.1	04.9	15.6	31.12.83	6,786*
412 (345)	Cookson Group	UK	196.6	10	276	454.8	398.5	14.1	29.9	15.8	83.7	11.5	31.12.83	5,600*
413 (426)	Capital and Counties	UK	196.6	69	—	NR	NR	—	14.7	10.6	39.3	8.3	25.3.84	427
414 (475)	Auxiliaire d'Entreprises	FRA	195.9	3	134	1510.4	1214.0	24.4	45.8	43.6	5.2	10.0	31.12.83	20,500
415 (422)	Laing Properties	UK	195.5	69	—	NR	NR	—	18.3	13.4	13.7	7.2	31.12.83	464
416 (414)	Haslemere Estates	UK	194.3	69	—	NR	NR	—	8.0	9.8	−17.7	5.6	31.3.84	37
417 (—)	Iggesund	SWE	193.8	33	303	336.6	268.0	25.9	27.6	6.2	342.4	15.9	31.12.83	4,565
418 (469)	Electra de Viesgo	SPA	193.5	65	335	149.2	N/A	—	14.7	11.5	27.9	—	31.12.83	863*
419 (491)	Powell Duffryn	UK	193.0	11	216	734.4	688.8	06.1	25.2	17.8	41.5	16.1	31.3.84	10,215
420 (—)	Bunzl	UK	192.4	33	212	744.5	497.9	49.6	23.9	17.5	36.5	21.6	31.12.83	4,775
421 (405)	Alfa-Laval	SWE	191.4	6	174	1141.5	1016.8	12.3	99.1	81.7	21.2	23.0	31.12.83	15,984
422 (221)	United Scientific Holdings	UK	190.7	4	335	181.5	147.4	23.2	21.0	17.2	21.7	30.1	30.9.83	3,779
423 (424)	Hambros	UK	190.2	68	—	NR	NR	—	14.1	13.0	8.8	NR	31.3.84	1,607*
424 (—)	Rinascente	ITA	189.8	34	219	719.9	644.3	14.7	30.2	18.9	59.2	N/A	31.12.83	13,792
425 (396)	Coalite Group	UK	189.5	42	240	808.5	572.9	06.2	44.6	37.7	19.0	25.0	31.3.84	5,788
426 (482)	Bail Investissement	FRA	189.4	69	356	82.0	44.6	16.4	15.5	14.4	07.6	37.4	31.12.83	35*
427 (329)	Telephone Rentals	UK	189.1	45	349	75.3	79.0	00.4	17.6	17.5	11.9	21.8	31.3.84	2,252
428 (406)	Banco Exterior	SPA	187.6	62	—	NR	NR	—	25.4	26.3	−03.3	NA	31.12.83	8,861*
429 (383)	Baloise Insurance	SWI	186.5	66	—	NR	NR	—	4.1	3.3	14.8	NR	31.5.83	NA*
430 (409)	Bejam Group	UK	186.3	35	295	357.0	320.3	11.5	18.5	16.3	02.3	37.1	30.7.83	3,399
431 (424)	Fosece Minsep	UK	183.7	10	248	547.7	482.3	11.3	26.4	20.5	38.7	15.5	31.12.83	10,015
432 (455)	AGIV	GER	183.6	11	350	[illegible]	26.8	−02.3	10.7	10.4	02.6	10.9	31.12.83	NA*
433 (473)	Heath, C. E.	UK	183.1	68	—	NR	NR	—	28.6	26.9	−02.0	22.2	31.3.84	1,730
434 (318)	Kraftwerk Laufenburg	SWI	182.0	55	—	NA	78.2	—	8.4	8.5	−1.2	NA	30.9.83	152
435 (420)	Hamilton Oil Great Britain	UK	182.0	51	357	42.6	47.9	08.8	24.9	64.1	17.0		31.12.83	3
436 (—)	Almanij	BEL	182.0	70	—	NR	NR	—	22.4	20.0	11.7	NA	31.3.84	NA
437 (363)	Beghin-Say	FRA	181.5	25	145	1,398.5	1,279.3	09.1	21.2	10.5	100.7	19.3	31.12.83	8,098
438 (377)	Fondiaria Vita	ITA	181.5	66	—	NR	NR	—	19.1	10.8	76.1	NR	31.12.83	2,018
439 (489)	TI Group	UK	181.0	6	156	1,259.3	1,221.9	03.1	22.4	6.5	246.8	10.2	31.12.83	31,300
440 (400)	Pirelli Spa	ITA	178.5	9	—	NR	NR	—	12.5	15.1	−17.7	NR	30.6.83	69,687*
441 (395)	Ocean Transport and Trading	UK	178.0	45	197	908.6	984.5	−07.7	9.9	19.1	−48.2	8.4	31.12.83	9,721
442 (382)	Unicem	ITA	177.8	2	334	155.0	147.0	6.5	6.1	5.0	21.7	N/A	31.12.83	4,462
443 (450)	Croda International	UK	177.0	42	271	469.8	423.0	11.1	24.2	20.7	16.9	16.9	26.12.83	6,005
444 (—)	Den Norske Creditbank	NOR	176.3	62	—	NR	NR	—	107.9	64.4	67.6	65.7†	31.12.83	3,543
445 (490)	Finextel	FRA	176.3	70	—	NR	NR	—	19.4	25.0	−22.4	15.8	31.12.83	26
446 (359)	AMEC	UK	176.1	3	188	985.2	362.9	171.5	35.9	22.7	58.2	30.0	31.12.83	21,850
447 (413)	Eridania	ITA	175.2	25	290	387.8	389.5	−0.4	9.3	6.5	42.8	N/A	31.12.83	2,053
448 (394)	Bowthorpe Holdings	UK	174.6	5	341	120.1	100.3	19.8	21.0	17.1	22.8	29.7	31.12.83	2,745
449 (478)	Delhaize	BEL	174.5	25	90	2,480.1	2,171.6	14.2	70.2	38.3	83.5	34.8	31.12.83	9,521*
450 (407)	Transport Development Group	UK	173.9	45	258	506.4	479.0	5.7	28.9	25.2	14.5	14.6	31.12.83	11,969
451 (310)	Currys Group	UK	173.8	34	288	472.7	404.8	16.8	31.0	20.7	49.5	26.2	25.1.84	6,139
452 (—)	*Hoboken-Overpelt*	BEL	173.4	8	127	1,611.3	1,294.7	24.5	24.7	12.8	93.2	8.4	30.9.83	6,656*
453 (—)	Darty	FRA	173.1	4	267	476.0	445.7	6.8	26.5	27.4	−3.1	41.2	29.2.84	5,026
454 (—)	Kymmene-Stromberg	FIN	172.9	11	204	797.7	748.5	6.5	(9.4)	81.8	—	7.1	31.12.83	16,057*
455 (—)	Finnish Sugar Company	FIN	172.7	25	274	465.8	257.1	81.2	26.9	17.8	50.9	24.7	31.12.83	4,397
456 (—)	United Paper Mills	FIN	169.7	33	245	567.8	521.0	9.0	7.8	12.8	−39.2	9.9	31.12.83	8,600
457 (423)	Rugby Portland Cement	UK	169.6	2	321	231.4	228.2	1.4	33.3	32.4	2.7	15.2	31.12.83	3,392
458 (397)	Dumez	FRA	169.4	3	143	1,413.0	1,016.8	39.0	42.8	36.8	16.1	6.3	31.12.83	32,000*
459 (484)	Minet Holdings	UK	169.4	67	—	NR	NR	—	28.1	24.5	14.6	45.2	31.12.83	2,464
460 (—)	Hawley Group	UK	168.4	12	323	188.7	55.6	239.2	19.6	7.3	168.3	13.1	31.12.83	17,395
461 (—)	UIS	FRA	167.4	69	—	NR	NR	—	15.7	13.0	21.1	N/A	31.12.83	N/A*
462 (—)	Delta Group	UK	167.0	6	224	706.3	699.7	0.9	43.8	20.0	119.1	17.2	31.12.83	18,325
463 (—)	British Land Company	UK	166.2	69	—	NR	NR	—	12.4	10.6	16.9	7.3	31.3.84	979
464 (—)	Hepworth J. and Son	UK	166.0	34	339	135.8	114.8	18.3	11.8	5.3	122.6	8.1	31.8.83	2,865
465 (338)	*Elekt Gesell Laufenberg*	SWI	165.3	55	322	204.2	262.9	−22.3	5.8	5.3	9.4	3.3	30.9.83	N/A
466 (384)	Pritchard Services Group	UK	165.0	12	277	447.1	407.7	9.7	17.6	17.1	2.7	20.6	1.1.84	51,628
467 (—)	London and Manchester Group	UK	164.9	65	—	NR	NR	—	6.4	5.0	29.7	NR	31.12.83	1,982*
468 (375)	Amersham International	UK	164.9	27	340	120.6	100.9	19.5	18.9	15.4	22.4	28.5	31.3.84	2,346
469 (—)	Chargeurs	FRA	164.7	45	149	1,336.1	1,265.9	5.5	31.2	38.7	−19.3	10.5	31.12.83	N/A
470 (449)	Simon Engineering	UK	163.9	6	264	518.1	499.4	3.7	29.9	28.5	5.1	18.4	31.12.83	11,175
471 (—)	Christiania Bank	NOR	163.0	62	—	NR	NR	—	45.2	22.3	102.5	30.7†	31.12.83	3,520
472 (—)	Schroders	UK	162.5	66	—	NR	NR	—	28.8	21.2	36.0	NR	31.12.83	1,162*
473 (439)	Diploma	UK	162.2	5	345	105.5	66.9	57.7	16.3	9.2	76.9	35.2	30.9.83	1.042*
474 (—)	Oxford Instruments	UK	161.8	4	363	60.6	36.0	68.3	8.5	3.7	128.6	25.5	25.3.84	1,066*
475 (447)	GB-Inno-BM	BEL	160.8	34	99	2,080.2	1,967.0	5.8	26.3	26.2	0.5	12.2	31.1.84	28,378*
476 (—)	Logica	UK	160.3	5	365	58.1	45.7	27.2	4.6	3.0	55.0	27.6	30.6.83	1,475*
477 (437)	Gill and Duffus	UK	159.5	91	121	1,723.9	1,385.6	24.4	28.1	17.8	58.2	19.9	31.12.83	2,352
478 (—)	Oce-Van de Grinten	NET	158.2	44	243	691.3	683.5	1.3	26.0	19.9	31.1	12.6	31.12.83	10,904
479 (426)	Kvaerner Industrier	NOR	158.1	6	239	620.2	573.8	8.1	41.6	45.1	−7.7	20.3	31.12.83	8,631
480 (411)	Dalmine	ITA	158.1	8	241	694.6	916.7	−27.2	70.9	82.3	−13.9	N/A	31.12.83	12,537
481 (—)	Glynwed International	UK	157.7	8	232	671.0	611.9	9.7	29.2	18.9	54.3	14.6	31.12.83	14,556
482 (—)	Banque National de Belgique	BEL	157.7	62	—	NR	NR	—	66.7	67.0	−0.4	31.1	31.12.83	3,240
483 (—)	Bekaert	BEL	156.9	8	294	655.4	572.0	14.6	42.9	15.9	169.3	16.2	31.12.83	11,112
484 (—)	Cement-Roadstone	IRE	156.2	2	257	507.2	468.0	8.4	10.1	17.3	−41.5	5.6	31.12.83	7,322
485 (389)	Electronic Rentals Group	UK	156.1	29	317	265.1	276.5	−3.8	15.4	16.6	−7.3	11.8	31.3.84	6,565
486 (—)	Flight Refuelling (Holdings)	UK	155.5	6	352	66.2	62.4	6.2	10.4	6.3	66.1	30.8	31.12.83	2,057*
487 (—)	Partek	FIN	154.9	2	287	355.4	320.1	11.0	19.7	22.3	−11.7	16.2	29.2.84	6,339
488 (—)	Locindus	FRA	154.6	69	—	NR	NR	—	13.3	12.3	7.7	29.7	31.12.83	*
489 (—)	Institut Merieux	FRA	154.1	27	324	188.5	145.8	29.2	13.8	8.0	72.9	25.6	31.12.83	N/A
490 (485)	*Cambridge Electronic Industries*	UK	152.3	5	337	143.2	115.4	24.0	13.4	10.3	29.4	22.4	31.12.83	5,224
491 (489)	Bols	NET	152.0	22	315	279.3	258.1	8.2	25.2	22.4	12.5	22.6	31.12.83	1,952
492 (—)	Baer Holding	SWI	151.1	62	—	NR	NR	—	4.9	4.2	16.7	10.0	31.3.84	N/A*
493 (369)	Grunzweig Hartmann	GER	150.7	6	330	171.0	176.8	2.7	7.1	7.5	−6.1	7.3	31.12.83	2,177*
494 (356)	Mills and Allen International	UK	149.2	12	—	NR	NR	—	28.3	17.4	50.2	61.7	30.6.83	2,223
495 (—)	United Newspapers	UK	147.1	32	333	155.8	134.4	16.0	12.2	7.5	62.8	19.5	31.12.83	5.433
496 (493)	Britannia Arrow Holdings	UK	146.1	70	—	NR	NR	—	13.9	8.3	66.8	19.8	31.12.83	1,183
497 (487)	Sevillana de Electric	SPA	145.9	65	218	720.4	NA	—	25.7	36.6	−29.7	NA	31.12.83	NA
498 (378)	Meyer International	UK	145.4	2	209	757.5	735.5	2.6	45.1	29.7	51.6	17.3	31.3.84	8,667
499 (417)	MK Electric Group	UK	145.0	4	332	162.2	142.7	13.7	24.2	18.7	29.4	28.6	31.3.84	5,102
500 (—)	Atlantic Computers	UK	144.8	5	348	82.4	46.3	78.1	7.2	3.6	97.2	36.4	31.12.83	41*

Finns spread their wings

BY KEVIN DONE

THE GREATLY improved positions of Finnish companies in the FT 500 list together with *a clutch of new arrivals* reflects the rapid foreign expansion of the country's big industrial corporations.

It is also a measure of a surge in prices on the Helsinki stock exchange in 1982-83, a string of new share issues and the relative strength of the Finnish currency since the October 1982 devaluation.

Finnish industry developed late compared with the rest of the industrialised world but it has rapidly made up for lost time in recent years. It is now riding a wave of internationalisation with companies establishing marketing and manufacturing units abroad as well as seeking increasing access to foreign equity capital.

Finland's location cheek-by-jowl with the Soviet Union should not be allowed to obscure the fact that its economy has consistently out-performed the rest of Europe in recent years.

The 12 Finnish companies in the FT 500 — up from seven last year — exclude some of Finland's largest industrial *groups which are state-owned,* such as Neste in energy, and Enso-Gutzeit in forest products. But otherwise the list takes in the top two banks — KOP and Union Bank — the biggest insurance company — Pohjola — one of the largest shipbuilders —Wartsila—as well as some of the leading industrial conglomerates, Nokia, Rauma Repola and Kymmene Stromberg.

The Finland twelve

	Ranking 1984	1983
Kansallis Osake Pankki	161	321
Union Bank of Finland	181	287
Nokia	198	245
Wartsila Ab Oy	264	427
Kone Oy	325	428
Pohjola Group	331	373
Rauma Repola	346	495
Huhtamaki	393	—
Kymmnene Stromberg	454	—
Finnish Sugar Company	455	—
United Paper Mills	456	—
Partek	487	—

Conglomerates are common in Finland and many corporations *straddle both of Finland's* major industrial sectors, forest products and engineering.

Rauma-Repola, for example, has activities ranging from pulp and paper to shipyards and the building of offshore drilling rigs. It is the world's largest manufacturer of forest harvesting machines having this year taken over the *Kockums operations in Sweden* from the Swedish state.

Most of the industrial companies on the list have been busy expanding abroad through foreign acquisitions. Nokia, Finland's largest publicly quoted industrial group, with traditional interests in forest products, chemicals, plastic and rubber goods, has recently *concentrated on high technology.*

Among other ventures, it has bought Luxor, a Swedish consumer electronics and mini-computer company and in South Korea, a Nokia subsidiary, Mobira, is establishing a factory to make mobile radio telephones in a joint venture.

United Paper Mills is investing in plants abroad, among them a $190m pulp and paper mill in the UK. Partek, a group with major interests in building materials, has made acquisitions in Sweden.

Huhtamäki, a conglomerate spanning confectionery, pharmaceuticals, food, packaging, beverages and electronics, took the U.S. by surprise with its sudden purchase of 13 confectionery plants in the U.S., Canada and Republic of Ireland.

Kone, the engineering group specialising in lifts, materials handling equipment, and cargo access equipment for ships, led a move by Finnish companies on to foreign stock exchanges when it gained a listing in Stockholm in 1982.

It has since been joined in Stockholm by Nokia and Wartsila, while earlier this year, Wartsila became the first Finnish company to gain a listing on the London Stock Exchange.

Monitoring Finnish companies is still something of an exotic practice for foreign investors, but they have been given an exciting ride in the past three years.

The KOP general shares index rose 37 per cent in 1982, and 65 per cent last year, before slowing to increase by 17 per cent in early 1984.

But in spite of the gains Helsinki remains a very small market — market capitalisation at mid-year was FM 29.4bn — and legislation limits foreign ownership to 20 per cent of the share capital of most companies.

The scope of the market is narrow and it has not always been possible to find enough unrestricted shares — those that can be bought by foreign investors — through the Helsinki market to satisfy the minimum requirements of big foreign institutional investors.

Non-restricted shares have been quoted separately since the beginning of 1984 on the Helsinki exchange, but investors have had to pay a hefty premium.

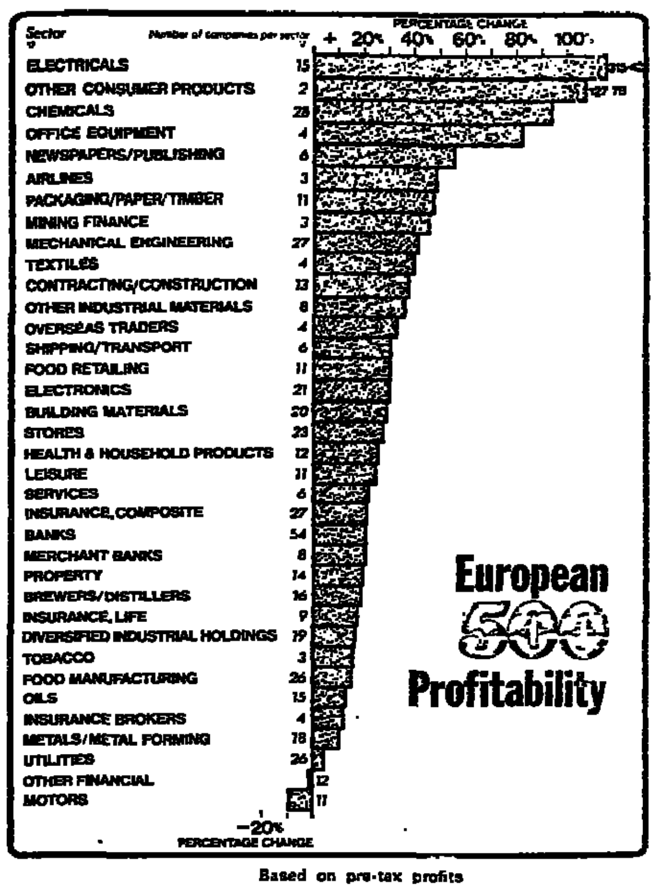
FOOTNOTES TO COMPANIES ON THIS PAGE

304 Colonia Versicherung, parent company accounts. 305 Hill Samuel, profit is net of tax but before extraordinary items. 307 KKB Bank, parent company accounts. 308 Dortmunder Union, domestic consolidation. 311 Mercury Securities, profit is net of tax. 331 Pohjola, profit is before taxes and changes in reserves but after sundry expenses. 1982 fig restated to give consolidated results for whole group. 333 Royal Belge, parent company accounts. 336 Tractionel, parent company accounts. 337 Wurttembergische Feuerv., domestic consolidation. 338 Taylor Woodrow, turnover includes group share in related companies. 339 Contigas, 83 figs for nine months to Sept 30. ROCE is for nine months and turnover is after deducting energy levy. 344 Banque Bruxelles Lambert, profit is net of tax and duties but before minority interest. 350 Stock Conversion, Stock Conversion & Investment Trust. 359 Lech-Elektrizitaets-Werke, turnover is after deducting energy levy. 361 Hoesch, reorganisation during 1983 means that figs are not comparable. 362 Gotthard Bank, parent company accounts. 365 Electrobel, parent company accounts. 366 Ahold, figs converted from Dollars to Dutch Florins using exchange rate of 3.0645. 367 Sterling Guarantee Trust, formerly Town & City Properties. 369 Carless Capel & Leonard, preliminary results. 378 Dyckerhoff Zement, domestic consolidation. 379 Accor International, incorporated Jan 1 83 through merger of Novotel and Jacques Borel. 381 Marley, 82 figs restated by company for comparative purposes. 384 Sulzer, profit/loss is net of tax. 385 Fleet Holdings, 82 figs for nine months to Dec 31 83 turnover includes inter-group rentals of 2.899. 400 Sofina, Capital employed = parent company. 402 Lahmeyer, parent company accounts. 404 Equity & Law Life Ass. Soc., profit is net of tax.

407 Norcros, turnover includes group share of Associates. 410 Helvetia, results are for Helvetia Feuer. For Helvetia-Unfall; 83 profit = 16.789, 82 profit = 15.524 (MSfr). 441 Kali-Chemie, turnover = group. Profit = parent company. 412 Cookson Group, additional depreciation now treated as appropriation and not charge against profit. 418 Electra de Viesgo, profit is net of tax. 423 Hambros, profit net of taxation and minority interest but before extraordinary items and provisions. 426 Bail Investissement, parent company accounts. 428 Banco Exterior, profit is net of tax. 429 Baloise Insurance, Baloise Holding owns "overwhelming majority" of shares in Baloise Insurance Company. ... 473 Diploma, 82 figs are for 15 months to Sept 30. 474 Oxford Instruments, floated Oct 19 83. 475 GB-INNO-BM, parent company accounts. 476 Logica, floated Oct 27 83. 486 Flight Refuelling (Holdings), acquired Huntleigh Group, August 83. 82 figs restated for comparative purposes in accordance with merger a/c principles. 488 Locindus, parent company accounts. 492 Baer Holdings, figs not consolidated. 493 Grunzweig & Hartmann, parent company accounts. 500 Atlantic Computers, floated Sept 29 83. Figs do not include Lion Systems Development, acquired Nov 83.

The European top hundred by turnover

Rank	Company name	Turnover $m	Cntry	Sector	Year end
1 (1)	Royal Dutch/Shell	85522.1	N/UK	51	31/12/83
2 (2)	British Petroleum	44697.5	UK	51	31/12/83
3 (4)	IRI	23617.7	Ita	11	31/12/83
4 (3)	ENI	22598.0	Ita	51	31/12/83
5 (6)	Unilever NV/plc	18339.9	N/UK	25	31/12/83
6 (5)	Veba	17958.9	Ger	11	31/12/83
7 (8)	Francaise Des Petroles	16616.1	Fra	51	31/12/83
8 (7)	BAT Industries	16315.5	UK	36	31/12/83
9 (—)	Deutsche Bundespost	16149.5	Ger	55	31/12/83
10 (12)	Elf Aquitaine	15923.1	Fra	51	31/12/83
11 (11)	Philips	14958.7	Net	04	31/12/83
12 (13)	Volkswagen	14636.5	Ger	09	31/12/83
13 (10)	Daimler-Benz	14604.0	Ger	09	31/12/83
14 (9)	Siemens	14410.7	Ger	04	30/09/83
15 (15)	B.A.S.F.	13819.0	Ger	42	31/12/83
16 (16)	Bayer	13631.4	Ger	42	31/12/83
17 (14)	Hoechst	13577.7	Ger	42	31/12/83
18 (19)	Electricity Council	13169.7	UK	55	31/03/84
19 (18)	Renault	13100.1	Fra	09	31/12/83
20 (17)	Fiat	12981.1	Ita	09	31/12/83
21 (25)	Volvo	12273.4	Swe	09	31/12/83
22 (20)	Nestle	12241.8	Swi	25	31/12/83
23 (22)	Electricite de France	12044.9	Fra	55	31/12/83
24 (23)	Imperial Chem Inds	11371.0	UK	42	31/12/83
25 (—)	BNOC	10479.9	UK	51	31/12/83
26 (21)	Thyssen	10357.1	Ger	08	30/09/83
27 (27)	Peugeot	10122.6	Fra	09	31/12/83
28 (24)	Deutsche Bundesbahn	9755.5	Ger	55	31/12/83
29 (26)	British Telecom	9470.3	UK	55	31/03/84
30 (28)	Petrofina	9191.7	Bel	51	31/12/83
31 (30)	OIAG	9183.2	Aus	11	31/12/83
32 (31)	British Gas	8845.0	UK	51	31/03/84
33 (32)	R.W.E.	8805.5	Ger	55	30/06/83
34 (29)	Nederlandse Gasunie	8802.2	Net	51	31/12/83
35 (38)	Esso Petroleum	8584.6	UK	51	31/12/83
36 (46)	INH	7977.1	Spa	51	31/12/83
37 (34)	Generale d'Electricite	7420.7	Fra	55	31/12/83
38 (—)	PTT	7357.6	Fra	55	31/12/83
39 (35)	Esso AG	7085.0	Ger	51	31/12/83
40 (45)	Saint Gobain	68.77.3	Fra	11	31/12/83
41 (51)	Thomson	6700.3	Fra	05	31/12/83
42 (56)	Rio Tinto-Zinc Corp	6626.2	UK	51	31/12/83
43 (40)	General Electric Co	6611.0	UK	05	31/03/84
44 (39)	Deutsche BP	6527.3	Ger	51	31/12/83
45 (48)	Ciba-Geigy	6458.0	Swi	42	31/12/83
46 (37)	National Coal Board	6418.2	UK	55	31/03/84
47 (50)	DSM	6404.5	Net	42	31/12/83
48 (42)	Ruhrkohle	6352.7	Ger	55	31/12/83
49 (47)	Krupp, Fried.	6306.2	Ger	08	31/12/83
50 (53)	Montedison	6294.1	Ita	42	31/12/83
51 (54)	Grand Metropolitan	6154.9	UK	22	30/09/83
52 (43)	Deutsche Shell	6060.7	Ger	51	31/12/83
53 (41)	Imperial Group	6034.6	UK	35	31/10/83
54 (81)	Berisford S&W	5957.2	UK	35	30/09/83
55 (44)	SNCF	5464.8	Fra	55	31/12/83
56 (66)	Opel, Adam	5369.5	Ger	09	31/12/83
57 (58)	Bosch, Robert	5329.9	Ger	04	31/12/83
58 (49)	Mannesmann	5138.4	Ger	08	31/12/83
59 (69)	Rhone-Poulenc	5120.3	Fra	42	31/12/83
60 (63)	Ford Motor Co.	4937.6	UK	09	31/12/83
61 (67)	Akzo	4885.9	Net	42	31/12/83
62 (77)	Michelin	4880.7	Fra	09	31/12/83
63 (73)	Ford Werke	4875.5	Ger	09	31/12/83
64 (65)	British Steel	4872.9	UK	08	31/03/84
65 (57)	Ruhrgas	4835.3	Ger	51	31/12/83
66 (76)	Gaz De France	4832.5	Fra	51	31/12/83
67 (71)	BL	4711.7	UK	09	31/12/83
68 (74)	Brown Boveri	4669.3	Swi	04	31/12/83
69 (78)	Preussag	4558.4	Ger	11	31/12/83
70 (52)	GHH	4498.5	Ger	08	30/06/83
71 (70)	Esso Francaise	4437.1	Fra	51	31/12/83
72 (—)	Coop Group	4403.0	Swe	26	31/12/83
73 (75)	BMW	4368.4	Ger	09	31/12/83
74 (61)	AEG	4208.5	Ger	05	31/12/83
75 (79)	Migros	4170.7	Swi	26	31/12/83
76 (96)	Salzgitter	4149.5	Ger	08	30/09/83
77 (—)	Neste Group	4089.3	Fin	51	31/12/83
78 (—)	Degussa	4051.4	Ger	42	30/09/83
79 (80)	Karstadt	4035.1	Ger	34	31/12/83
80 (83)	Electrolux	3966.8	Swe	39	31/12/83
81 (87)	Marks & Spencer	3931.5	UK	34	31/03/84
82 (85)	Allied-Lyons	3926.0	UK	22	03/03/84
83 (84)	Post Office	3917.0	UK	55	31/03/84
84 (86)	Dalgety	3914.3	UK	35	30/06/83
85 (82)	Thorn EMI	3885.2	UK	39	31/03/84
86 (90)	Carrefour	3873.4	Fra	34	31/12/83
87 (72)	Deutsche Mobil	3872.6	Ger	51	31/12/83
88 (99)	IBM Deutschland	3832.6	Ger	04	31/12/83
89 (60)	Assoctd British Foods	3807.5	UK	25	31/03/84
90 (—)	Norsk Hydro	3807.5	Nor	42	31/12/83
91 (—)	Schickedanz	3800.7	Ger	—	31/12/83
92 (94)	Sacilor	3742.2	Fra	08	31/12/83
93 (—)	Asea	3730.9	Swe	06	31/12/83
94 (55)	Shell Francais	3673.3	Fra	51	31/12/83
95 (—)	Flick Gruppe	3632.7	Ger	08	31/12/83
96 (89)	Metallgesellschaft	3578.0	Ger	08	30/09/83
97 (—)	Tesco Stores (Hldgs)	3573.4	UK	26	25/02/84
98 (—)	Mabanaft	3562.0	Ger	51	31/12/83
99 (—)	Solvay & Cie	3561.4	Bel	42	31/12/83
100 (93)	Sainsbury J.	3546.3	UK	26	24/03/84



Based on pre-tax profits

Biggest profit increases (European)

	Company	Ctry	FT Euro 500 Rank	Sec	Profit Increase %
1	Boliden	Swe	380	08	1,711.9
2	Philips	Net	20	04	1,080.9
3	Horten	Ger	260	34	431.3
4	Woolworth Holdings	UK	221	34	382.0
5	Iggesunds Bruk	Swe	417	33	342.4
6	Metallgesellschaft	Ger	236	08	274.3
7	TI Group	UK	439	06	246.8
8	Fleet Holdings	UK	385	32	225.0
9	Electrolux	Swe	104	39	189.5
10	Olivetti	Ita	187.3	44	187.3

Biggest profit decreases (European)

	Company	Ctry	FT Euro 500 Rank	Sec	Profit Decrease %
1	Lucas Industries	UK	368	09	−89.6
2	Grindlays Holdings	UK	382	70	−86.9
3	Matra	Fra	315	04	−81.8
4	Hamilton Oil GB	UK	435	51	−64.1
5	Copenhagen Handelsbank	Den	342	62	−57.7
6	Commercial Union	UK	69	66	−56.7
7	Huhtamaki	Fin	393	25	−54.4
8	Ocean Transport and T.	UK	441	45	−48.2
9	Societe General	Bel	182	11	47.1
10	Berliner Kraft and Licht	Ger	242	55	41.7

Oil giants in different class

IMAGINE that a megalomaniac financier has been putting together the conglomerate to end all conglomerates.

Based in Europe, it spans most industrial sectors, from electricity generation to retailing, from food manufacturing to oil. Its annual sales have run to over $75bn, which it has achieved through such well known operating subsidiaries as Electrolux and J. Sainsbury, Thorn EMI and Norsk Hydro, Marks & Spencer and the British Post Office.

Monstrous as this piece of corporate jerry-building may seem, it would still not come to the head of the FT's list of the 500 largest businesses in Europe. By turnover, as by most yardsticks, nothing can stop the Royal Dutch/Shell group from dominating other European enterprises.

Our fictional conglomerate is made up by adding together numbers 80 to 100 of the largest-revenue companies on this side of the Atlantic, but its sales nevertheless fall some $10bn short of those recorded in 1983 by the Anglo-Dutch oil giant.

The second-placed company in the actual list—itself another oil major in the shape of BP—was barely half the size of Shell, even though BP again does nearly twice as much business as the next comer.

BP oil refinery at Grangemouth. The two big oil companies head the FT turnover lists by as big a margin as they lead those based on market capitalisation.

But although the top two places in the turnover list are predictably filled by the weightiest companies in the stock market, by capitalisation, it takes only a brief glance further down the list of Europe's 100 largest companies by turnover to realise that this ranking is rather different from the top 100 names in the main FT 500.

The big stock market names are still there, but they have acquired some public sector neighbours that would still seem rather incongruous even if privatisation became the norm throughout Europe.

Large loss makers—many of them publicly owned — are littered throughout the ranking. Britain's National Coal Board, halfway down with $6.4bn of sales, may even this strike-ruined year be only an also-ran in the contest to lose the most money. In this regard it has to contend with real heavy-weights, such as the Italian state industrial holding company IRI.

Third in the turnover ranking in 1983, IRI managed to lose $1.8bn, representing a minus-margin on sales of almost 8 per cent. As these figures demonstrate, IRI is not in any sense the same kind of company as the profit conscious groups financed by private share capital.

Far from seeking an economic return for its governmental owner, IRI was instead required for many years to maintain obsolete capacity in steel and shipbuilding, provide jobs for the recipients of political patronage, and make its new investments—such as the Alfasud car plant—in the commercially wrong places.

Still the largest non-oil enterprise in Western Europe (the fourth place in our list is held by its energy-based sister company ENI). IRI's career has been a vivid illustration of the conflict between normal corporate objectives and the wider social and political aims that state holding companies are created to serve.

It exemplifies one of the pitfalls of using turnover to measure the size of companies at all. Almost as many groups have qualified for a place in the top 100 by playing the role of dust-bin for government industrial policy as have got there by developing a profitable business.

There are other problems with making turnover your guide to corporate size. Financial companies have other people's money as their stock trade; making it turn round as fast as possible is the object of the exercise, and margins are competitively thin.

The consequence is that financial companies—medium-sized stockbrokers, for instance—can employ very modest amounts of shareholders' equity to support turnover running into tens of millions per day, thus appearing to be in the same league as IBM Deutschland or Associated British Foods.

For this reason, purely financial companies have been excluded from the list. But there are others, commodity traders and retailers, who appear far larger on this measure than they do on many others.

Only on the basis of turnover could BNOC be regarded as in any sense as large a business as ICI; one is among the world's chemical majors, the other is a small government office standing between the commercial producers and purchasers of North Sea crude oil. BNOC's economic role is marginal.

Finally, anyone who had been asleep since last year's FT 500 could be forgiven for thinking that the commanding heights of the European economy had been shrinking during 1983—and probably that British companies had been losing ground to those in West Germany.

This would be odd indeed, in a year when the recovery really took hold throughout the Western world. One explanation for the discrepancy is that the list has been expressed in dollars, which have risen rapidly enough in value to eclipse the real gains in output—themselves often exports to the U.S., stimulated by the dollar's rise.

Jeremy Stone

Departures from European 500

Company	Ctry	Last rank	Sec
Albingia Versicherung*	Ger	461	66
Allianz Lebens*	Ger	46	65
APV Holdings	UK	432	06
Automated Security Holdings	UK	464	12
Badenwerk*	Ger	252	55
Banca Agricola	Ita	391	62
Beddingtons Breweries	UK	456	22
Breda	Ita	492	06
Bulmer H.P. Holdings	UK	348	22
Burnett & Hallamshire	UK	392	03
Chubb & Son	UK	463	12
CKW	Swi	452	55
Comet Group	UK	401	34†
Dassault-Breguet Aviation*	Fra	158	06
DLW	Ger	490	02
Dunlop Holdings	UK	483	09
Eagle Star	UK	106	66‡
Empressa Nacional De Electrica*	Spa	342	55
Empressa Nacional De Petroleos	Spa	410	51
Ennia	Net	460	66§
Esso Saf*	Fra	189	51
Eurotherm International	UK	496	04
Feldschleoss	Swi	448	22
Fitch Lovell	UK	462	26
Franco Tosi	Ita	440	06
Gelsenwasser	Ger	445	55
London Brick	UK	457	02‖
LRC International	UK	431	27
Machines Bull*	Fra	406	04
Neckarwerke-Elekt.*	Ger	295	55
Nurdin & Peacock	UK	500	26
Oceonics	UK	474	51
Pirelli & Co.	Ita	102	09
Portals Holdings	UK	470	11
Rheinmetall*	Ger	398	08
Roussel Uclaf*	Fra	454	42
Securicor Group	UK	476	12
Security Services	UK	360	12
SIKA	Swi	494	42
SIP*	Ita	86	55
Spirax-Sarco Engineering	UK	486	06
Standard Elektrik Lorenz*	Ger	109	04
Stet*	Ita	77	05
Superdrug Stores	UK	481	34
Tilling Thomas	UK	71	11¶
UEI	UK	364	04
Wolseley-Hughes	UK	430	11
Wolverhampton & Dudley Breweries	UK	489	22

* These companies have dropped out because the basis of the list has been adjusted this year to exclude more companies where the free market capitalisation is very small.

† Acquired by Woolworth Holdings. ‡ Acquired by BAT Inds. § Merged with Ago Bldgs to form Aegon. ‖ Acquired by Hanson Trust. ¶ Acquired by BTR.

A-Z list of European top 500

COMPANY	RANK
Aachener Muenchenr	194
Aare Tessin	340
Accor	379
AEG	206
Aegon	162
AGA	224
AGIV	432
Ahold	368
Air Liquide	64
AKZO	82
Alfa-Laval	421
Algemene Bk N'land	100
Alleanza	138
Allianz Versicherung	25
Allied Colloids	296
Allied Irish Banks	271
Allied-Lyons	54
Almanij	436
Alsthom-Atlantique	334
Altana	290
Alusuisse	176
AMEC	446
Amersham Int.	468
AMEV	146
Amro Bank	148
Argyll Group	223
ASEA	59
Ass. British Foods	98
Associated Dairies	53
Ass. Newsp'rs HDG	408
Astra	127
Atlantic Computers	500
Atlas Copco	257
Autopistas Del Mare	258
Auxiliere D'Ent'prises	414
Avana Group	372
BASF	29
Babcock International	375
Baden-Wurtt Bank	283
Beer Holding	492
Bail Investissement	426
Baloise Insurance	429
Bancaire	178
Banco Central	119
Banco de Bilbao	152
Banco de Santander	126
Banco de Vizcaya	310
Banco Espanol Cred	130
Banco Exterior	428
Banco Hispano Amer.	169
Banco Popular	352
Bank Leu	175
Bank of Ireland	280
Bank of Scotland	240
Bq Bruxelles Lambert	344
Bq Cantonale V'doise	299
Bq Nat. de Belgique	482
Barclays Bank	33
Barratt Developments	360
Bass	45
BAT Industries	10
Bayer	21
Bayerische Hypo Bk	90
Bayerische V'abank	79
Beecham Group	19
Beghin-Say	437
Beiersdorf	227
Bejam Group	430
Bekaert	483
Bell Arthur & Sons	320
Berisford S & W	195
Berliner Kraft Licht	242
BHF Bank	302
Bibby J & Sons	313
BIC	268
BICC	157
Billerud Uddeholm	218
Blue Circle Ind.	142
BMW	43
BOC Group	87
Bofors	356
Boliden	380
Bols	491
Booker McConnell	278
Boots	44
Bouygues	295
Bowater Corporation	149
Bowthorpe Holdings	448
BPB Industries	128
Britannia Ar. Hldgs.	496
British & Com.	208
British Aerospace	83
Brit. Elec. Traction	135
British Home Stores	156
British Land Co.	463
British Petroleum	2
Britoil	48
Brooke Bond Group	284
Brown Boveri	165
Brown, Boveri	347
BSI	228
BSN Groupe	84
BSR	189
BTR	16
Bunzl	420
Burmah Oil	267
Burton Group	147
Cable & Wireless	36
Cadbury Schweppes	120
Caledonia Invest.	389
Cambridge Electronic	490
Capital & Counties	413
Cardo	185
Carless C'pel Leonard	369
Carlo Erba	230
Carrefour	234
Casino	314
Cement-Roadstone	484
Chargeurs	488
Charter Con.	282
C'house J Rothschild	177
C'house Petroleum	322
Christiania Bank	471
Ciba-Geigy	22
CIT Alcatel	397
Club Mediterranee	231
Coalite Group	425
Coats Patons	215
Cobepa	349
Colonia Versich.	304
Commercial Union	69
Commerzbank	65
Con. Gold Fields	61
Contiges	339
Cont. Gummi Werke	301
Cookson Group	412
Copenhagen H'sbank	342
Costain Group	305
Courtaulds	145
Credit Fon. de France	318
Credit Suisse	23
Croda International	443
Currys Group	451
Daimler-Benz	3
Dalgety	210
Delmine	480
Darty	453
Dawson International	345
De La Rue	269
Debenhams	258
Dee Corporation	229
Degussa	110
Delhaize	449
Delta Group	462
Den Danske Bank	270
Den Norske Credit.	444
Deutsche Babcock	255
Deutsche Bank	13
Diploma	473
Distillers Company	52
Dixons Group	386
Dordtsche Petroleum	18
Dortmunder Union	308
Dowty Group	220
Dresdner Bank	77
Dumez	458
Dyckerhoff	378
Ebes	113
Electra de Viesgo	418
Electrobel	365
Electrocomponents	237
Electrolux	104
Elec. Rentals Group	485
Electrowatt	129
Elekt. Gesell. L'berg	465
Elf Aquitaine	28
Elkem	406
Elsevier-Ndu	383
English China Clays	180
Equity Law Life Soc	404
Ericsson, LM	49
Eridania	447
Esselte	312
Essilor Intl.	262
European Ferries	235
Exco International	199
Farnell Electronics	279
Fecsa	357
Ferranti	117
Fiat	81
Finextel	445
Finnish Sugar Co.	455
Fisons	203
Flachglas	341
Fleet Holdings	385
Flight Refuelling	486
Fondiaria Vita	438
Foseco Minsep	431
Francaise Petroles	94
GB-Inno-BM	475
General Accident	78
General Electric Co.	4
General de Eaux	167
Generale Occidentale	291
Generali	31
Gevaert Photo	390
GHH	114
Gill & Duffus	477
Gist-Brocades	319
Glaxo Holdings	11
Glynwed International	481
Gotthard Bank	362
Granada Group	259
Grand Metropolitan	17
Gt Portland Estates	292
Gt Universal Stores	38
Greenall Whitley	387
Grindlays Holdings	382
Groupe Brux. Lambert	184
Grunzweig Hartmann	493
Gruppo Lepetit	391
Guardian Royal Ex.	68
Guest Keen N'folds	170
Guinness Arthur Sons	249
Habitat Mothercare	214
Hachette	283
Hambro Life Ass.	152
Hambros	423
Hamilton Oil G.B.	435
Hammerson Property	101
Hanson Trust	37
Harpener	297
Harris Queensway	273
Harrisons Crosfield	151
Haslemere Estates	416
Havas, Agence	371
Hawker Siddley Gp	74
Hawley Group	460
Heath CE	433
Heidelberger Zement	211
Heineken	115
Helvetia	410
Hepworth Ceramic	285
Hepworth J. & Son	484
Hew	294
Hidroelectrica Esp'a	171
Hill Samuel Group	305
Hoboken-Overpelt	462
Hochtief	144
Hoechst	26
Hoesch	361
Hoffman-la Roche	24
Holderbank	201
Holzmann, Philipp	289
Hoogovens	321
Horten	260
House of Fraser	183
Huhtamaki	393
Iberduero	179
ICL	244
Iggesund	417
IMI	323
Imperial Chem. Inds.	8
Imperial Cont. Gas	168
Imperial Group	50
Inchcape	239
Industriekreditbank	405
Initial	254
Institut Merieux	489
Intercom	89
Isar-Amperwerke	173
Italcable	324
Italcementi	398
Jacobs Suchard	109
Jelmoli	348
Johnson Matthey	204
Kali-Chemie	411
Kans'is-Osake Pankki	161
Karstadt	139
Kaufhof	166
Kemandbel	250
KHD	196
KKB	307
K'wort B'son L'sdale	300
KLM	287
Kone Corporation	325
Kraftwerk Laufenburg	434
Kredietbank	281
Kvaerner Industrier	479
Kwik Save D'count	276
Kymmene-Stromberg	464
L'Oreal	72
Ladbroke Group	187
Lafarge Coppee	272
Lahmeyer	402
Laing Properties	415
Land Securities	39
Landis & Gyr	256
Laporte Industries	219
Lech-Elektriz'ts-W'rke	369
Legal & General	93
Legrand	365
Lesieur	376
Lex Service	232
Linde	186
Lloyds Bank	60
Locindus	498
Logica	476
London Man. Group	467
London Scot. Marine	246
London M'chant Secs	373
Lonrho	190
Lucas Industries	368
Lufthansa	90
Lyonnaise Eaux	275
Magnet & Southerns	253
Mannesmann	70
Marks & Spencer	12
Marley	381
Martell	377
Matra	315
Mediobaca	164
MEPC	105
Merc'tile House Hldg	309
Mercury Securities	311
Metal Box	265
Metallgesellsch	236
Meyer International	496
MFI Furniture Group	213
Michelin	241
Midland Bank	67
Mills Allen Internat.	494
Minet Holdings	459
MK Electric Group	499
Moet-Hennessy	96
Montedison	133
Nat. Bk of Greece	394
Nat. Westminster Bk	40
Nationale-Neder'den	57
Nederlandsche Mid.	329
Nestle	7
Nokia	198
Norcros	407
Nordwest. Kraftwerk	96
Norsk Data	251
Norsk Hydro	63
Northern Eng. Inds.	327
Northern Foods	174
Nottingham Man.	358
Novo Industri	76
Oce-Van der Grinten	478
Ocean Transport Trad	441
Oerlikon-Buehrle	134
Olivetti	121
Oxford Instruments	474
P & O	158
Pergese Holdings	233
Partek	487
Pearl Assurance	248
Pearson	141
Pernod Ricard	125
Perrier, Source	209
Petrofina	41
Peugeot	274
Pharmacia	107
Philips	20
Philips Kommunik'ns	200
Phoenix Assurance	243
Pilkington Brothers	140
Pirelli International	352
Pirelli Spa	440
Plessey Company	34
Pohjola	381
Polly Peck (Hldgs)	374
Powell Duffryn	419
Preussag	118
Pritchard Serv. Grp.	466
Promodes	354
Prudential Corp.	42
RWE	14
Racal Electronics	47
Rank Organisation	163
Ranks Hovis McD'all	286
RAS	172
Ratos Forvaltning	399
Rauma-Repola	346
Reckitt & Colman	103
Redland	131
Reed International	132
Rentokil Group	261
Reuters	92
Rheinelektra	303
Rinascente	424
Rio Tinto-Zinc Corp	30
RMC Group	202
Rodamco	263
Rothmans Int.	226
Rowntree Mackintosh	154
Royal Bank of Scot.	136
Royal Belge	333
Royal Dutch/Shell	1
Royal Insurance	58
Ruetgerswerke	363
Rugby Port. Cement	457
Saab-Scania	71
Saatchi & Saatchi Co	316
SAI	353
Sainsbury J.	32
Sandoz	56
Sandvik	183
Sanofi	160
Savoy Hotel	388
Schering	150
Schindler	403
Schroders	472
Scot. & Newc'tle Brw	188
Sears Holdings	62
Sedgwick Group	123
Sefimeg	384
Sevillana de Electno	497
Siemens	5
Simon Engineering	470
Skandia	238
Skandinaviska Ensk.	106
SKF	143
Slough Estates	217
Smith & Nephew	122
Smith W. H. & Son	288
Smiths Industries	247
Smurfit Jefferson	351
Soc. Gen. de Sur'ce	216
Societe Generale	182
Societe Gen. Banque	225
Sofina	400
Solvay & Cie	212
Sound Diffusion	335
Stand. Chartered Bk	86
Standard Telephones	58
Steetley	395
Sterling G'antee Tst	367
Stock Conversion	350
Stora Kopparberg	118
Sueddt. Zucker	409
Sulzer	384
Sun Alliance London	85
Sun Life Ass. Soc.	205
Svenska Cellulosa	97
Svenska Handelsb'n	159
Swedish Match	343
Swiss Bank Corp.	15
Swiss RE	91
Swiss Volksbank	191
Swissair	163
Tarmac	108
Tate & Lyle	265
Taylor Woodrow	338
Telemecanique	401
Telephone Rentals	427
Tesco Stores (Hldgs)	112
Thomson-CSF	277
Thorn EMI	66
Thyssen	11
TI Group	439
Toro Assicuraz	332
Tractionel	336
Trafalgar House	99
Transport Dev. Grp.	450
Tricentrol	330
Trusthouse Forte	73
UIS	461
Ultramar	88
Unerg	262
Unicem	442
Unigate	245
Unilever NV/Plc	9
Union Bank	6
Union Bk. of Finland	181
Union Credit Batim't	370
Union Elect.-Fenosa	326
United Biscuits	137
United Breweries	222
United Newspapers	495
United Paper Mills	458
Utd Scientific Hldgs.	422
Veba	35
Vereins & Westbank	328
VEW	124
Vickers	398
Victoria Lebens.	155
Volkswagen	46
Volvo	27
Wartsila	264
Wereldhave	317
Whitbread	102
Willis Faber	197
Wimpey George	207
Winterthur Versich.	75
Woolworth Holdings	221
Wuertt. Feuerver.	337
Zurich Insurance	51

AEGON BY JEFFREY BROWN

The creation of a new Dutch insurance giant

JUMPING straight into the top 200 and after Reuters the second most important new entrant of the year, Aegon, the Dutch insurance group, came into being almost 12 months ago after the merger of Ennia and AGO, two major Dutch underwriters.

Their combination into Aegon has created the second biggest insurance operation in the Netherlands after Nationale Nederlanden. Total revenues in 1983 were Fl 8.5bn, against Fl 13bn for Nationale Nederlanden and Fl 5bn for the number three in the Dutch insurance league, Amev.

Local rivals

Aegon, whose net profits rose by a fifth last year and continue to move ahead in 1984, has a spread of international business as wide as any of its local rivals. More than half of revenues came from outside the Netherlands last year with almost a third arising in North America.

The product range leans towards life insurance. Around 62 per cent of total revenues stem from life business with 33 per cent accounted for by non-life underwriting. Operations outside insurance, such as holiday chalets in the Netherlands and West Germany, bring in some 5 per cent of revenues.

Aegon's gross premiums in 1983 totalled almost Fl 5bn with non-life premiums roaring ahead by more than a quarter. The company has 17 per cent of the Dutch life insurance market and 7 per cent of non-life markets. Very roughly, this represents about half the respective insurance market shares held by Nationale Nederlanden.

Aegon says that the main motive for the merger was a strengthening of local markets. Plainly, the two companies' businesses in the Netherlands come together in a remarkably neat geographical fit.

Otherwise, the merger story is one of fairly conventional synergy. The workforce is shading lower as a result of business overlaps, and there is a major programme of automation which is due for completion by 1986.

Aegon's revenue account continues to expand this year despite a number of disappointing trading results. Non-insurance dipped into the red for the first half of 1984, and non-life business also lost money, turning a pre-tax profit of Fl 7m into a first half deficit of Fl 5m.

Brighter side

Dutch motor insurance is going through a bad time, and abroad Aegon has been hit heavily by losses on transport insurance and reinsurance. The brighter side of the coin shows good gains in life business. Life revenues rose by an eighth in the six months, helping to lift profits before tax from life underwriting by almost 40 per cent.

Group profits totalled Fls 289m before tax in 1983. For this first half of this year the result was Fl 172m, and the interim dividend went up to Fl 2.30 a share. Shareholders received a total payment of Fl 5.58 for 1983.

PROMODES BY PAUL BETTS

French retailer shops abroad

PROMODES, the French retail group with sales of FFr 19.8bn last year and net earnings of FFr 203m, has grown into a major supermarket and hypermarket chain in the last five years. In a large measure this is as a result of international expansion.

During the last five years, the group has invested FFr 2bn for its domestic and international expansion and has seen its workforce grow from 13,000 people in 1979 to 20,000 last year. About 60 per cent of sales come from the group's supermarket and hypermarket activities compared to less than 50 per cent five years ago. The group has also substantial wholesale distribution activities.

Promodes' international operations are concentrated in the U.S. and Spain, and the group also has a presence in West Germany. In the U.S., Promodes first acquired in 1980 the Red Food Stores chain of supermarkets based in Tennessee but with stores also in Georgia and Alabama.

The U.S. chain had sales of $377m last year and this first U.S. investment has been followed with the acquisition last year of Houchens Industries, another supermarket chain based in Kentucky.

Moreover, Promodes is launching a discount warehouse store venture in the Chicago area and has set up an international trading operation with a branch in New York.

In Spain, the French group owns a hypermarket chain, wholesale outlets and a chain of discount stores. In West Germany, it is present in the hypermarket sector through an association with the West German Schaper distribution group.

These international activities, especially in the U.S., have enabled the French retailers to continue to see its sales and profits grow, despite a generally difficult situation on the French home market due to the recession and the freeze in prices and wages which have had an inevitable impact on margins.

In France, where the group has 40 supermarkets and 23 hypermarkets and major wholesale distribution operations, Promodes has been seeking to diversify in the cafeteria business and in a cosmetic and perfume specialty shops venture.

But the company is not alone among major French retailers to have set its sights essentially on the U.S. market for future growth. Euromarche has just launched its first hypermarket venture in the U.S. Casino and Docks de France has also built an important American presence.

ALLIANZ VERSICHERUNG BY JOHN DAVIES

West German insurer with knack of making money

THE ALLIANZ insurance group of West Germany seems to have a knack for making money, but is still nursing its wounds from its luckless takeover battle for Eagle Star of the UK.

Normally shy of publicity, the Munich-based group has attracted wide attention over the past year and its share quotations and market capitalisation have bounded ahead.

In the FT Top 500 list, Allianz Versicherung has moved from number 30 to 25.

Allianz claims to have about 16 per cent of the West German general insurance market and over 14 per cent of the life assurance business. It is easily the biggest insurance concern in the country.

A prestigious and rich organisation, its influence is felt widely but discreetly in West German business circles. Dr Wolfgang Schieren, who has presided over Allianz since 1971, is considered a powerful figure.

On its home terrain, Allianz feels its scope for expansion is limited. For one thing, the Cartel Office is thought likely to look askance at a move by Allianz to expand through takeovers. But to expand business otherwise could take time and money.

For this reason, Allianz has for years been building its interests abroad, including Europe, the U.S., South Africa and Australia. The West Germans are still unhappy with the rebuff they suffered last year in their bid for Eagle Star of the UK, even though they bowed out with a "consolation prize" of a DM 550m profit on the sale of its Eagle Star stake to BAT Industries.

Allianz executives have continued looking for suitable partners or takeover prospect abroad, and in the process have just taken a stake in the RAS Group in Italy. With this activity going on, investors have been watching Allianz like a hawk.

Revaluation

Another reason for a flurry of investor interest lately was speculation that insurance and investment interests might be split, with a consequent share revaluation.

Worldwide the Allianz group scooped in DM 15.4bn in premiums last year, an increase of 10.8 per cent. While its premium income in Germany was up 7.6 per cent, its premium income from abroad, notably the U.S., was up nearly 30 per cent to DM 2.6bn.

The group increased its earnings from both insurance business and from investments. With net profit up nearly a quarter to DM 255m last year, Allianz Versicherung paid a conservative dividend of DM 10 per share once again, while the life assurance company paid a steady DM 9 dividend on its net result of DM 49m, up 11 per cent.

Allianz Versicherung shows capital investments valued at DM 12bn, while the life assurance affiliate, Allianz Lebens, has a further DM 40bn.

The life assurance company is Versicherung and 46 per cent by Munich Re-Insurance, which in turn is closely associated with the Allianz group.

Munich Re has a 25 per cent stake in Allianz Versicherung, which otherwise offers a wide market for trading.

Apart from its dividend, Allianz Lebensversicherung has nurtured its shareholders lately through the issue of new shares offering instant capital gains.

One cloud on the horizon, however, is the big banks' growing interest in the life assurance market as a means of capturing an increased flow of savings. With West Germans saving an estimated DM 40bn a year in the form of life assurance premiums, the commercial banks are out to get a slice of the business through offering savings schemes with life assurance benefits.

HOOGOVENS BY IAN RODGER

Steel recovery lifts it up the ladder of success

IT IS hard to imagine any steel company appearing in a place of honour in the FT 500.

But Hoogovens of the Netherlands has done it. It is one of the companies that has moved up the ladder most in the past year. Specifically, its market value has jumped 87 per cent, enabling it to climb 158 steps in the table. Only three other companies have climbed more.

Moreover, it appears that the dramatic rise in the Hoogovens share price in the past two years is due almost entirely to improved performance. The steel business in Europe has at long last started to improve in the past year and aluminium, which is another large business for Hoogovens, has been in strong demand until recently.

The key, however, is that Hoogovens, because of its substantial restructuring efforts and a few natural advantages, has benefited more from the recovery than its competitors. It was the first major steel producer in Europe to return to profits this year (after five years of losses) and its prospects look distinctly better than others'. It was even able to launch a Fl 130m rights issue on the stock market earlier this year.

The rise in the Hoogovens share price can be traced to mid 1982 when a disastrous merger with Hoesch of West Germany was dissolved. At the time, the shares were worth about Fl 14; last week, they were quoted at Fl 65.

When it separated from Hoesch, Hoogovens appeared to have a lot of excess capacity, and so it embarked on a Fl 3.2bn three-year programme, supported with Fl 1.3bn of state aid, to reduce steelmaking capacity.

However, by a stroke of luck, this programme was not too far advanced when the sharp market improvement began late last year. While other steelmakers were struggling to increase output, Hoogovens was able to deliver immediately. "We have sold a lot of slab and billet to people all over the world, including European competitors," Mr Jan Hooglandt, chairman, says. Last year, the company made 4.3m tonnes of steel, this year it expects to make 5.5m tonnes.

Another factor has been a continuing programme to reduce costs. Mr Jan Hooglandt says annual overheads in steel have been cut by Fl 515m since 1977 and yields have improved. The product mix has been improved, with the elimination of almost all long products—bar, wire rod and beams—in which markets remain weak.

The company has some natural advantages too, notably the coastal location of its works, which eases the import of raw materials and the export of finished products.

Steel accounts for about 70 per cent of Hoogovens business, but Mr Hooglandt points out that the improvement in the group's financial performance began last year in the aluminium sector. It accounts for about 20 per cent of turnover and, last year, most of the profit. The steel business had a loss last year of Fl 120m, but Mr Hooglandt says that it "has taken the lead again" and will account for two-thirds of group profits this year.

He is confident that, while others struggle to make any profit at all in steel, Hoogovens can make reasonable returns in this sector . . ." not by price or capacity, but better quality, delivery and performance."

WERELDHAVE

Hungry eyes on property portfolio

BY JEFFREY BROWN

WERELDHAVE, the Dutch property group with a widely spread portfolio of foreign properties, has moved up no fewer than 139 places in this year's rankings on the back of a strong revival in takeover prospects.

The company has been a bid "situation" for more than two years. It was in September 1982 that talks with Dutch pension funds, notably PGGM the largest in the Netherlands, were first announced. Subsequently a bid was made, against a background of strong market activity by both sides.

For its part, Wereldhave has strongly resisted any takeover. It has lined-up new share issues, and recently acquired a Dutch investment fund in the hope of making itself takeover proof.

But PGGM, which put a bid of Fl 155 a share on the table in August 1983, has been equally determined. Having acquired a third of Wereldhave through the market last year, it disclosed in May that its shareholding had been increased to 40 per cent.

This year Wereldhave shares have been as high as Fl 178 against a background of heady stock market speculation plus some good results from the company. Net profits moved ahead strongly to Fl 40.3m in 1983, and the dividend went up from Fl 7.5 to Fl 9 a share.

But it is assets rather than revenue that Wereldhave's predators are after. Investment and development properties totalled around Fl 1bn in the last balance sheet, and 62 per cent of the portfolio was outside Holland.

Roughly 30 per cent of properties are in the U.S.

ESSILOR BY DAVID MARSH

Sharp eyes on the US market

ESSILOR, the fast-growing French optical glass company, has been one of the most shining stars on the Paris bourse over the past two years. The stock turned in a phenomenal growth rate of 240 per cent last year, rising from FFr 665 ($79.6m) at end 1982 to FFr 2,260 at end-1983, and has gained a further 25 per cent this year, being quoted at around FFr 2,850 at the end of October.

The group, which carries out about one-third of its business on the North American market, has been one of a string of French companies profiting from the strong dollar and fast expansion of the U.S. economy over the past 18 months.

Group net profits last year increased 50 per cent from FFr 121.7m to FFr 182m on turnover up 25 per cent from FFr 1.95bn to FFr 2.44bn.

Essilor had further good news for shareholders in September when it announced 23 per cent increases in net profits and sales in the first half of 1984. The favourable trend of the first six months — well above expectations at end-1983 — is expected to continue for the rest of the year.

The triple factors of fast foreign growth — sales abroad are two-thirds of turnover — strong research and development efforts, and product innovation have more than doubled turnover since 1979.

The company, which makes a range of spectacle glass, frames, contact lenses and precision instruments, accounts for about 85 per cent of French spectacle glass production. Including its frames business, where it has a less formidable 15 per cent of the market, its total share of the French optical sector is 42 per cent.

M Bernard Maitenaz, the chairman, says Essilor's basic principles are the same as those followed by the 13th century optical pioneers who first brought spectacles on to noses. But the science has been brought up to date through a complex series of efforts in disciplines ranging from organic polymers and biotechnology to metallurgy and composite materials, backed up by automated production processes.

The research budget last year totalled FFr 80m, more than 6 per cent of parent company turnover, with more than 200 people employed in company laboratories.

Investments next year are due to rise to FFr 200m from FFr 129m last year and FFr 85m in 1982. They will be spread 50/50 between France and abroad, in line with general building up of more sophisticated production facilities. The company, which controls 20 subsidiaries in 15 foreign countries, already has a production facility in Florida (along with three U.S. distribution companies) and has just announced plans to build a further American optical glass plant. U.S. subsidiaries last year increased turnover by 52 per cent in franc terms, with profits rising 82 per cent.

The big rise in bourse prices has been especially profitable for Essilor's 8,230 employees, who own 35 per cent of ordinary shares giving 50 per cent of overall voting rights. The capital is in the form of 1.08m FFr 100 ordinary shares and 180,000 non-voting priority dividend shares issued in 1983. Bourse capitalisation rose from FFr 386m at end 1981 to FFr 798m at end 1982 to FFr 2.72bn at end of last year.

UK FT 500 VI

Year of soaring profits

BY BARRY RILEY

OVERALL the past year has been one of the most buoyant ever enjoyed by the British corporate sector, with profits jumping by something like 25 per cent on average. Many companies are brimful with cash they can hardly find a use for.

All this has provided splendid conditions for recovery by companies which had previously had their backs against the wall, and indeed the UK 500 list this year provides a number of examples of revived fortunes.

But if the sun has been shining, it has not been beaming uniformly upon the company sector. The capital goods producers, for instance, have often continued to languish. And the stock market has been notably less enthusiastic about steady growth companies which it values highly in tough conditions, but tends to desert for the more exciting if also more transient charms of bull market favourites.

One of the notable victims of this latter reassessment has been GEC, whose recent earnings performance has come to seem rather dull by its own admittedly high standards. So at the top of the table Big Oil—in the shape of BP and Shell Transport—has reasserted itself, leaving the two oil majors well ahead of their electrical rival.

At one time a couple of years ago GEC was worth more than the two oil groups, and in last year's FT 500 it managed to split the pair. But this year the solid earnings performances of the oil companies have allowed them to pull well ahead, although the recent nervousness in the oil market, and doubts about the dollar, have taken the edge off their relative gains.

Just behind the top three, ICI is one of the beneficiaries of the improved industrial climate, with its profits surging towards the £1bn pre-tax mark. Its more aggressive management stance has appealed to the market, too.

Well behind

Two years ago Marks and Spencer ranked ahead of ICI, but the stores group has now slipped well behind—another example of a long-term growth stock losing its premium, in what has proved to be an increasingly competitive retail sector. Volume growth has been fading, leading to conditions which have been putting the pressure on various High Street rivals.

Before turning away from the upper echelons of the UK 500 list, it is worth pointing out the continued onward march of those two industrial takeover specialists, BTR and Hanson Trust. Tucking further major acquisitions under their belts, they both made big strides up the chart, with BTR now a Top Ten company and Hanson having a similar position now well within its sights.

Looking at the list of 500 companies as a whole, it is clear that there is a great deal of shifting of position going on in reflection of the rapid structural changes taking place within the British economy.

In the better profits climate, some of the traditional manufacturing groups have taken the opportunity to claw their way back up the table: examples include TI, Vickers, Delta, Turner and Newall and Courtaulds.

However, there have been disappointments too, especially for companies concerned with the heavy end of the engineering business like NEI, Davy and Babcock which have all slipped. Then there is the sad case of Dunlop, which has tumbled 120 places and in market capitalisation terms now nestles uneasily near the likes of Horizon Travel and Greycoat City Offices.

Meantime, GEC's image problems have extended to virtually the whole of the list of electrical majors, with many of them facing competitive pressures or strategic problems. Plessey, Thorn-EMI, Racal, STC and BICC have all lost position in the 1984 table.

Telecom debut

It could also be that big investors have been lightening their holdings in this sector ahead of the debut of British Telecom, which is likely to jump straight into the top three of the UK 500—at any rate, once its shares are fully paid up.

But while the big electrical stocks have been dimming, many of the smaller ones have been sparking vigorously. The biggest gainer of all last year was Computer and Systems Engineering, which jumped from almost the very bottom to halfway up the table. The list of big upward movers and newcomers is liberally sprinkled with electronics-related companies like Micro Business Systems, AB Electronic and Applied Computer Techniques.

The impact of information technology is apparent in the arrival of Reuters at number 47. But the more conventional media have also prospered. Fleet Holdings scored spectacularly with a rise from 313 to 169, and it was also a good year for TV programme contractors like Trident and London Weekend.

Much has been going on in the financial sector, but the stock market has failed to come to any very firm conclusions except that it is cautious about the big banks. All the Big Four clearers lost position in 1983-84, the worst sufferer being Lloyds with a move from 23 to 32 under the influence, among other things, of its South American exposure.

The larger merchant banks broadly held their positions, but Charterhouse J. Rothschild rocketed into the top 100. On the other hand, Mercantile House slumped from 101 to 145—an indication of just how volatile life can be in the financial sector—bearing in mind that two years ago it ranked outside the top 200.

The bulls were out in force on the London Stock Exchange in one of the most buoyant periods enjoyed by Britain's corporate sector.

1-250

Ranking 1984 1983	Company	Sector	Market cap. £m	Ranking	Turnover this year £m	Turnover last year £m	% change	Profit this year £m	Profit last year £m	% change	ROCE	Number of employees	Year end
53 (50)	Reckitt and Colman	27	598.7	68	981.0	918.5	6.8	88.8	72.9	21.8	28.5	34,300	31.12.83‡
54 (61)	MEPC	69	588.1	—	NR	NR	—	40.4	33.4	21.1	6.9	827	30.9.83
55 (49)	Tarmac	2	578.8	60	1,123.5	988.4	13.7	89.6	68.7	30.4	29.8	23,061	31.12.83
56 (59)	Tesco Stores (Holdings)	26	565.7	15	2,594.5	2,276.6	14.0	67.4	59.5	26.0	18.7	52,342	25.2.84
57 (53)	Ferranti	5	555.9	121	451.7	372.2	21.4	38.8	31.5	23.2	25.7	19,085	31.3.84
58 (56)	Cadbury Schweppes	25	550.0	35	1,702.8	1,577.8	7.9	106.9	89.7	19.2	21.9	37,140	31.12.83
59 (68)	Smith and Nephew	27	547.2	154	314.0	272.5	15.2	44.6	34.4	29.6	26.6	11,620	31.12.83
60 (58)	Sedgwick Group	67	546.8	—	NR	NR	—	80.1	73.0	9.8	49.4	9,472	31.12.83
61 (54)	BPB Industries	2	515.7	107	540.1	465.9	15.9	79.7	65.4	21.8	28.7	10,990	31.3.84
62 (52)	Redland	2	513.2	12	914.9	799.1	14.5	95.9	66.3	44.6	23.6	12,118	31.3.84*
63 (75)	Reed International	33	511.4	20	2,043.0	1,809.0	12.9	96.4	60.9	58.3	15.8	55,000	1.4.84
64 (60)	British Electric Traction	11	486.9	61	1,074.4	1,002.3	7.2	85.7	70.2	22.2	17.0	49,488	31.3.84
65 (102)	Royal Bank of Scotland	62	482.4	—	NR	NR	—	95.5	90.5	5.5	15.5†	16,240	3.9.83
66 (62)	United Biscuits	25	479.9	46	1,424.7	1,205.2	18.2	83.2	68.4	21.6	22.8	40,881	31.12.83
67 (71)	Pilkington Brothers	2	471.0	57	1,214.4	1,021.6	18.9	88.3	49.9	77.0	8.5	16,700	31.3.84
68 (86)	Pearson	11	465.9	86	730.4	718.5	1.6	77.4	59.9	29.2	18.5	27,567	31.12.83
69 (57)	Blue Circle Industries	2	463.5	75	906.5	785.2	15.4	109.6	107.8	1.6	12.3	20,628	31.12.83‡
70 (81)	Courtaulds	35	455.2	21	2,038.1	1,905.5	7.0	117.8	63.3	86.1	20.9	70,000	31.3.84
71 (93)	Burton Group	34	451.1	162	299.2	231.9	29.0	39.1	24.3	61.0	17.5	10,014	28.8.82
72 (79)	Bowater Corporation	33	447.9	36	1,623.0	1,566.0	3.6	68.3	72.6	−5.8	12.6	32,000	31.12.83*
73 (72)	Harrisons and Crosfield	91	444.0	67	1,011.6	912.4	10.9	56.6	44.5	27.3	12.1	25,062	31.12.83
74 (63)	Hambro Life Assurance	65	443.9	—	NR	NR	—	18.9	15.9	18.8	NR	9,416	31.12.83*
75 (80)	Rank Organisation	29	433.3	85	742.9	682.2	8.9	69.3	62.0	11.8	13.1	20,376	31.10.83‡
76 (88)	Rowntree Mackintosh	25	437.9	69	951.9	770.5	23.5	61.4	50.5	21.6	18.3	31,200	31.12.83
77 (64)	British Home Stores	34	436.8	103	546.6	502.7	8.7	55.2	48.9	12.9	25.0	24,085	31.10.84‡
78 (65)	BICC	4	425.4	28	1,901.6	1,799.1	5.7	82.0	98.6	−16.8	18.7	49,771	31.12.83*‡
79 (97)	P&O	45	425.1	49	1,314.9	1,222.5	7.6	56.7	33.6	68.9	8.4	23,427	31.12.83*‡
80 (106)	Imperial Continental Gas	51	380.9	104	546.0	480.9	13.5	50.0	38.5	29.9	12.4	11,022	31.3.84
81 (77)	Guest Keen and Nettlefolds	8	377.6	24	1,974.5	1,891.9	4.4	38.8	30.9	25.5	8.2	27,297	28.1.84
82 (73)	Northern Foods	25	369.4	27	1,936.1	1,003.7	92.9	46.5	43.5	6.8	15.6	11,268	30.9.83
83 (142)	Charterhouse J. Rothschild	68	363.6	—	NR	NR	—	88.1	40.8	115.9	13.2	69,480	31.12.83
84 (82)	English China Clays	10	357.6	116	490.2	402.5	21.8	76.3	41.2	85.3	21.0	22,891	31.3.84*
85 (84)	House of Fraser	34	354.5	82	841.0	770.8	9.1	24.9	22.9	8.7	17.2	7,590	12.12.83*
86 (95)	Ladbroke Group	29	349.9	80	846.9	762.0	11.1	41.8	35.4	18.1	13.1	16,090	3.1.84
87 (104)	Scottish and Newcastle Brws	22	347.9	91	692.5	641.8	7.9	55.2	41.1	34.3	14.2	21,526	29.4.84
88 (146)	BSR	4	347.8	165	282.0	232.1	21.5	20.9	(17.4)	—	26.0	12,568	31.12.83
89 (111)	Lonrho	91	347.6	17	2,356.5	2,336.1	0.9	113.2	75.1	50.7	16.7	151,396	30.9.83
90 (78)	Berisford S. and W.	25	338.4	9	4,325.3	2,729.2	58.5	55.6	54.7	1.6	16.1	9,446	30.9.83
91 (119)	Willis Faber	67	336.4	—	NR	NR	—	38.3	30.8	24.5	38.0	3,082	31.12.83
92 (96)	Exco International	70	334.9	—	NR	NR	—	32.5	16.0	102.7	26.0	1,270	31.12.83‡§
93 (85)	RMC Group	2	325.3	62	1,048.5	924.9	13.4	71.6	44.8	60.0	23.1	18,199	31.12.83
94 (87)	Fisons	42	324.7	135	365.4	350.5	4.3	31.2	21.1	47.8	20.0	7,495	31.12.83‡
95 (70)	Johnson Matthey	8	323.0	48	1,357.1	1,044.8	29.9	36.6	40.0	−8.5	12.2	11,336	31.3.84‡
96 (100)	Sun Life Assurance Soc	65	320.8	—	NR	NR	—	10.0	8.1	23.5	NR	2,359	31.12.83
97 (76)	Wimpey George	3	318.1	44	1,480.0	1,240.0	19.4	45.0	45.7	−1.5	9.6	26,700	31.12.83*
98 (103)	British and Commonwealth	45	315.8	139	350.3	349.6	0.2	58.5	36.8	58.9	17.3	10,204	31.12.83
99 (108)	Dalgety	25	309.8	12	2,842.0	2,552.0	11.4	52.5	45.7	14.9	16.4	20,163	30.6.83
100 (107)	MFI Furniture Group	34	307.8	158	301.0	246.3	22.2	39.1	30.4	28.6	35.0	3,515	26.5.84§
101 (90)	Habitat Mothercare	34	307.3	131	375.4	244.0	53.9	30.6	19.3	58.4	28.1	10,418	25.3.84*
102 (126)	Coats Patons	35	306.4	76	888.0	856.2	3.7	87.0	77.3	12.6	20.4	43,501	31.12.83
103 (127)	Slough Estates	69	305.6	—	NR	NR	—	20.2	16.2	25.0	6.7	324	31.12.83
104 (137)	Laporte Industries	42	304.2	192	191.8	156.4	22.6	30.2	20.7	46.0	23.0	3,515	1.1.84
105 (99)	Dowty Group	6	301.3	123	402.5	420.3	−4.2	36.5	36.4	0.3	14.2	14,757	31.3.84
106 (152)	Woolworth Holdings	34	301.2	52	1,269.0	1,124.0	12.9	29.4	6.1	382.0	9.3	51,648	29.1.84*
107 (136)	Argyll Group	26	298.4	41	1,515.6	1,371.9	10.5	40.1	25.9	55.0	29.1	31,746	31.3.84*
108 (154)	Rothmans International	36	297.5	42	1,510.7	1,350.3	11.9	151.2	130.5	15.9	19.1	25,017	31.3.84*
109 (166)	Dee Corporation	26	292.2	47	1,387.0	910.1	52.4	28.3	17.0	66.7	21.1	21,879	28.4.84*§
110 (114)	Lex Service	9	289.3	77	887.5	664.1	33.6	38.3	20.0	91.5	29.4	8,408	1.1.84
111 (121)	European Ferries	45	286.0	150	322.9	292.9	10.2	44.1	30.7	43.6	N/A	7,816	31.12.83
112 (98)	Electrocomponents	5	282.5	299	62.9	45.0	39.7	22.2	17.4	27.4	47.1	1,796	31.3.84
113 (105)	Inchcape	91	279.2	33	1,766.0	1,697.4	4.0	53.	50.3	5.3	10.9	47,393	31.12.83*
114 (155)	Bank of Scotland	62	276.8	—	NR	NR	—	59.3	49.6	19.6	20.3†	9,606	29.2.84‡
115 (130)	Phoenix Assurance	66	274.1	—	NR	NR	—	23.7	17.8	35.4	NR	3,993	31.12.83
116 (89)	ICL	5	273.4	81	846.5	720.9	17.4	45.6	23.7	92.4	20.2	22,951	30.9.83
117 (115)	Unigate	25	273.1	32	1,766.2	1,662.1	6.3	57.1	43.7	30.7	16.2	39,200	31.3.84
118 (83)	London and Scottish Marine	51	270.2	183	215.6	240.9	−10.5	89.9	113.6	−20.9	29.0	218	31.12.83‡
119 (128)	Smiths Industries	6	270.0	127	380.7	385.9	−1.3	26.8	26.5	1.4	16.2	13,862	30.7.83
120 (117)	Pearl Assurance	68	197.8	—	NR	NR	—	18.1	14.2	27.4	NR	8,806	31.12.83*
121 (135)	Guinness Arthur and Sons	22	263.4	78	872.4	904.6	−3.6	58.8	47.3	24.3	18.1	13,853	30.9.83*‡
122 (91)	Magnet and Southerns	2	259.5	190	194.0	161.6	20.1	32.1	24.6	30.5	22.3	4,903	31.3.84
123 (129)	Initial	12	259.0	179	229.7	210.7	9.0	28.7	27.1	6.1	26.4	29,991	31.3.84*
124 (145)	Debenhams	34	249.8	93	683.6	616.6	10.9	32.7	19.6	66.8	11.6	18,675	28.1.84
125 (94)	Granada Group	29	248.4	110	521.7	456.8	14.1	43.5	47.1	−7.6	15.9	13,975	1.10.83‡
126 (109)	Rentokil Group	12	247.9	240	125.1	111.9	11.8	20.6	17.1	20.2	40.1	6,763	31.12.83
127 (147)	Metal Box	33	244.2	53	1,263.1	1,371.2	−7.9	70.1	52.5	33.6	15.9	38,428	31.3.84
128 (133)	Tate and Lyle	25	243.7	31	1,783.7	1,950.0	−8.5	57.3	40.1	42.9	19.8	11,883	25.9.83
129 (112)	Burmah Oil	51	241.2	40	1,578.9	1,536.8	2.7	78.1	81.0	−2.3	17.1	22,984	31.12.83*
130 (113)	De La Rue	12	239.1	167	271.8	225.9	20.3	37.4	31.6	18.0	23.0	10,770	31.3.84
131 (118)	Harris Queensway	34	236.7	180	225.4	172.4	30.7	25.6	16.3	57.0	31.4	3,966	24.12.83§
132 (120)	Kwik Save Discount Group	26	228.7	108	535.4	473.1	13.2	27.4	23.6	16.0	37.9	4,831	28.8.83
133 (210)	Booker McConnell	11	222.9	83	1,032.0	968.0	6.6	25.1	19.0	32.4	22.8	13,180	31.12.83
134 (122)	Farnell Electronics	5	285.1	236	129.3	101.2	27.7	15.8	10.4	51.2	58.3	1,392	29.1.84
135 (92)	Charter Consolidated	81	220.0	88	614.1	414.9	48.0	37.0	45.9	−19.4	9.1	22,134	31.3.84‡
136 (125)	Brooke Bond Group	25	217.2	74	913.7	953.7	−4.2	48.2	35.3	36.5	14.9	63,470	30.6.83‡
137 (124)	Hepworth Ceramic	2	216.8	145	338.6	298.8	13.3	33.5	24.6	36.2	19.0	7,739	31.12.83
138 (139)	Ranks Hovis McDougall	25	216.4	37	1,637.0	1,598.0	2.4	44.1	36.1	25.6	13.8	42,577	3.9.83‡
139 (123)	Smith W. H. and Son (Hldgs)	34	215.2	51	1,290.2	871.3	48.1	43.4	26.7	62.6	17.8	21,638	2.6.84*
140 (131)	Great Portland Estates	29	210.6	—	NR	NR	—	15.0	16.8	−4.6	6.0	NA	31.3.84
141 (150)	Allied Colloids	42	203.9	278	82.7	62.5	32.3	18.2	12.2	49.3	49.1	1,278	31.3.84
142 (144)	Kleinwort Benson Lonsdale	68	200.6	—	NR	NR	—	21.7	20.0	8.2	NR	1,090	31.12.83*

FOOTNOTES FOR COMPANIES ON THIS PAGE

UK FT 500 VII

251-450

Ranking 1984	Ranking 1983	Company	Sector	Market cap. £m	Ranking	Turnover this year £m	Turnover last year £m	% change	Profit this year £m	Profit last year £m	% change	ROCE	Number of employees	Year end
251	(374)	AB Electronic Products	5	89.4	339	38.4	25.7	53.3	2.8	1.3	117.9	29.0	1,943	30.6.83
252	(382)	Vantona Viyella	35	88.5	155	307.3	103.5	197.1	12.0	4.3	180.7	12.9	19,059	27.11.83*§
253	(—)	Micro Focus	5	88.3	385	9.1	4.5	103.6	2.4	0.9	175.2	33.7	74	7.12.83*§
254	(238)	Amstrad Consumer Electronics	5	88.1	318	51.8	28.1	84.6	8.0	4.8	68.7	114.1	371	30.6.83
255	(328)	Collins William	32	87.5	254	106.1	79.7	31.9	8.6	4.7	81.8	28.5	2,679	1.1.84
256	(314)	Turner and Newall	10	87.2	117	488.5	621.4	−21.4	12.5	(19.3)	—	5.9	9,460	31.12.83
257	(226)	Spirax-Sarco Engineering	6	86.4	306	59.2	47.8	23.7	11.0	8.5	29.3	27.9	2,492	31.12.83
258	(263)	Laird Group	6	86.2	158	305.5	305.3	0.1	21.1	19.1	10.3	22.7	8,141	31.12.83
259	(195)	Security Services	12	86.1	177	231.2	205.7	12.4	8.9	9.4	−5.1	22.4	33,733	30.9.83
260	(235)	Sovereign Oil and Gas	51	86.0	388	6.8	0.2	846.2	3.4	0.2	749.5	4.8	36	31.12.83
261	(310)	Stakis	29	85.6	281	99.8	88.2	13.1	6.5	4.5	44.8	19.9	4,614	2.10.83
262	(256)	Hall Matthew	6	85.6	135	361.2	413.2	−12.6	12.9	11.6	10.5	24.6	8,480	31.12.83
263	(—)	McCarthy and Stone	3	85.4	380	13.1	6.0	118.8	3.7	2.2	71.0	28.0	327	31.8.83*§
264	(199)	APV Holdings	6	83.8	132	374.0	339.0	10.3	18.3	17.6	4.0	16.8	9,760	31.12.83
265	(295)	Gerrard and National	63	83.6	—	NR	NR	—	10.1	14.2	−28.8	NR	70	5.4.84*
266	(261)	Sketchley	12	83.4	260	101.2	83.7	20.9	10.8	9.1	18.8	27.0	7,828	30.3.84
267	(246)	Pleasurama	29	83.4	348	33.4	22.3	49.4	17.1	9.5	79.8	71.8	1,652	30.9.83
268	(321)	UBM	2	80.7	151	321.1	306.1	4.9	10.2	2.7	280.6	14.8	5,574	29.2.84
269	(280)	Finlay James	91	80.5	201	175.4	124.8	40.6	27.7	15.5	79.2	23.4	34,890	31.12.83
270	(334)	Stewart Wrightson Holdings	67	80.4	—	NR	NR	—	10.7	9.9	8.2	22.3	2,600	31.12.83
271	(254)	Scottish Metropolitan	69	78.6	—	NR	NR	—	6.5	5.8	11.5	6.6	28	15.8.83
272	(395)	Mount Charlotte Investments	29	78.4	359	27.7	15.7	76.1	4.6	1.2	280.8	25.3	1,889	1.7.84
273	(345)	HAT Group	3	78.1	194	185.4	145.5	27.4	10.2	8.2	24.9	23.2	14,475	29.2.84
274	(270)	Guinness Peat Group	68	78.1	—	NR	NR	—	(2.1)	(31.1)	—	NR	1,029	30.9.83*
275	(248)	Bilton Percy	69	77.9	—	NR	NR	—	9.9	9.3	6.3	15.9	512	31.12.83
276	(282)	Chesterfield Properties	69	77.0	—	NR	NR	—	5.6	5.0	11.7	4.9	65	31.12.83
277	(275)	McKechnie Brothers	8	76.7	213	158.1	154.6	2.3	11.1	10.1	9.5	12.1	5,739	31.7.83
278	[illegible]	Property Holding and Invest...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
279	[illegible]	Automated Security Holdings	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
280	(—)	Daily Mail and General Trust	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
281	[illegible]	Morrison WM Supermarkets	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
282	[illegible]	Wilson (Connolly) Holdings	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
283	(—)	Westpool Investment Trust	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
284	[illegible]	Vaux Breweries	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
285	[illegible]	British Car Auction Group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
286	[illegible]	Premier Consolidated Oilfields	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
287	[illegible]	Freemans	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
288	[illegible]	LEP	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
289	[illegible]	Tootal Group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
290	[illegible]	Marchwiel	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
291	[illegible]	AE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
292	[illegible]	Nurdin and Peacock	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
293	[illegible]	Wolverhampton and Dudley	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
294	[illegible]	Octopus Publishing Group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
295	[illegible]	Pegler Hattersley	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
296	[illegible]	Property Security Invest Trust	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
297	[illegible]	Greene King and Sons	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
298	[illegible]	Highland Distilleries	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
299	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
300	[illegible]	Hickson International	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
301	[illegible]	London and Northern Group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
302	[illegible]	Saxon Oil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
303	[illegible]	Bradford Property Trust	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
304	[illegible]	Eurotherm International	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
305	[illegible]	Siebe	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
306	[illegible]	Union Discount Company	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
307	[illegible]	Trident Television	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
308	[illegible]	Intasun Leisure Group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
309	[illegible]	Minster Assets	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
310	[illegible]	Queens Moat Houses	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
311	[illegible]	Pauls	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
312	(—)	Carlton Communications	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
313	[illegible]	Home Charm	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
314	(—)	Gent S. R.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
315	(—)	Stockley	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
316	[illegible]	Dunhill Holdings	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
317	[illegible]	Provident Financial	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
318	[illegible]	Foster Brothers Clothing	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
319	[illegible]	Brammer	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
320	[illegible]	Hogg Robinson	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
321	(—)	Telemetrix	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
322	(—)	Etam	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
323	[illegible]	Ward White Group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
324	[illegible]	Peachey Property Corporation	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
325	[illegible]	Micro Business Systems	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
326	[illegible]	Securicor Group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
327	[illegible]	Lilley F. J. C.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
328	[illegible]	London Shop Property Trust	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
329	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
330	[illegible]	Paterson Zochonis	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
331	[illegible]	Samuel H.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
332	[illegible]	Oceonics	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
333	[illegible]	M and G Group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
334	[illegible]	Dobson Park Industries	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
335	[illegible]	Boddingtons' Breweries	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
336	[illegible]	Horizon Travel	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
337	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
338	[illegible]	United Real Property Trust	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
339	[illegible]	Sirdar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
340	[illegible]	Dunlop Holdings	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
341	[illegible]	Greycoat City Offices	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
342	[illegible]	Steel Brothers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
343	[illegible]	Baird William	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
344	[illegible]	Hillards	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
345	[illegible]	French Kier Holdings	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
346	[illegible]	Bullough	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
347	[illegible]	[illegible] and Hallamshire Hldgs	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
348	[illegible]	LCP Holdings	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
349	[illegible]	Mansfield Brewery	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
350	[illegible]	Hampton Gold Mining Areas	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
351	[illegible]	Birmid Qualcast	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
352	(—)	Central Independent TV	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
353	[illegible]	Vinten Group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
354	[illegible]	Link House Publications	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
355	[illegible]	SGB Group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
356	[illegible]	Hazlewood Foods	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
357	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
358	[illegible]	Crystalate Holdings	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
359	[illegible]	McCorquodale	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
360	[illegible]	Christies International	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
361	[illegible]	Davy Corporation	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
362	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
363	[illegible]	Mowlem John and Company	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
364	[illegible]	Wedgwood	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
365	[illegible]	Black Peter Holdings	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
366	[illegible]	British Vita	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
367	[illegible]	Bryant Holdings	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
368	[illegible]	Travis and Arnold	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
369	[illegible]	Brown Matthew	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
370	[illegible]	Henderson Group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
371	[illegible]	London and Provincial Shop...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
372	(—)	Microvitec	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
373	[illegible]	Property and Reversionary	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
374	[illegible]	Brown Boveri Kent (Holdings)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
375	[illegible]	Prestige Group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
376	(—)	Petranol	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
377	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
378	[illegible]	Dubilier	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
379	[illegible]	Systems Designers International	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
380	[illegible]	Fairview Estates	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
381	[illegible]	United Parcels	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
382	[illegible]	Baker Perkins Holdings	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
383	[illegible]	Warner Estate Holdings	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
384	[illegible]	Martin The Newsagent	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
385	[illegible]	Dewhirst I. J. Holdings	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
386	(—)	Systems Reliability	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
387	[illegible]	Churchbury Estates	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
388	[illegible]	Gestetner Holdings	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
389	[illegible]	Marston, Thompson ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
390	[illegible]	Howden Group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
391	(—)	Tunstall Telecom Group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
392	[illegible]	Bridon	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
393	[illegible]	Carr John (Doncaster)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
394	[illegible]	Kenning Motor Group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
395	(—)	First Leisure Corporation	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
396	[illegible]	Chloride Group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
397	[illegible]	Brent Chemicals International	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
398	[illegible]	Wholesale Fittings	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
399	[illegible]	Grattan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
400	[illegible]	Advest Group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
401	[illegible]	Staveley Industries	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
402	[illegible]	Brown Shipley Holdings	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
403	[illegible]	De Vere Hotels and Restaurants	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
404	[illegible]	Mitchell Cotts	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
405	[illegible]	County and New Town Props	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
406	[illegible]	Halma	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
407	[illegible]	Asprey and Company	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
408	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
409	[illegible]	Security Centres Holdings	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
410	[illegible]	Henderson Administration Group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
411	[illegible]	East Midland Allied Press	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
412	[illegible]	Goal Petroleum	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
413	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
414	[illegible]	Mucklow A. and J. Group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
415	[illegible]	Samuel Properties	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
416	[illegible]	Fine Art Developments	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
417	[illegible]	Metal Closures Group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
418	[illegible]	Cray Electronics	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
419	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
420	[illegible]	Ivory Property Holdings	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
421	[illegible]	Crest Nicholson	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
422	[illegible]	Low Wm and Company	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
423	[illegible]	LWT (Holdings)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
424	[illegible]	United Friendly Insurance	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
425	(—)	United Leasing	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
426	(—)	Combined English Stores	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
427	[illegible]	Harding Associated Indust...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
428	[illegible]	Yule Catto	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
429	[illegible]	Johnson Group Cleaners	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
430	(—)	Cater Allen Holdings	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
431	(—)	DPCE Holdings	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
432	[illegible]	Automotive Products	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
433	[illegible]	Sidlaw Group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
434	[illegible]	Cope Allman International	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
435	[illegible]	Ferguson Industrial Holdings	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
436	[illegible]	Barlow Holdings	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
437	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
438	[illegible]	Six Hundred Group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
439	[illegible]	Farmer J. H. (Holdings)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
440	[illegible]	Nichols J. N. (Vimto)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
441	[illegible]	Steel and Simpson	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
442	[illegible]	Waddington John	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
443	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
444	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
445	[illegible]	Coates Brothers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
446	(—)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
447	[illegible]	Town Centre Securities	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
448	(—)	Cluff Oil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
449	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
450	[illegible]	Warnford Investments	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

High-tech hits big time

BY TERRY GARRETT

HIGH-TECHNOLOGY stocks and in particular information technology companies dominate the leading rankings of the 500's lists of newcomers and major risers. But it is not solely a diet of blinking screens and whirring printers.

The major climbers of the year include a fair smattering of recovery stocks, oil companies, consumer businesses covering retailers to leisure operations and some high-fliers of the financial sector.

The list of newcomers is liberally peppered with new arrivals to the stock market, either by a full listing or through the kindergarten of the Unlisted Securities Market. Even more so than with the list of major risers, high-tech companies dominate. They take the first six running places—putting aside Mr Jeffery Sterling's Sterling Guarantee Trust group which enjoys a slot by dint of a change of name from Town & City Properties. Yet again lower down the list there are representatives from a widely varied spectrum of commercial life.

One of the major events of the past year was the long-awaited public flotation of Reuters Holdings which runs one of the world's largest privately-financed communications and business information networks. Its listing on the stock market after an offer of its shares both in the UK and the U.S. shot Reuters straight into the top spot on the newcomers list and to number 47 in the UK 500 table.

As one of the oldest news agencies, Reuters has come a long way from its image building days of a network of journalists, notebook and pencil at the ready, covering stories around the far flung outposts of the civilised (and not so civilised) world. From that news gathering bedrock developed a sophisticated on-line news and business information operation across the major financial centres.

For 60 years its ownership had been on a co-operative basis with major British and Commonwealth newspapers holding most of the shares. There were a number of small holders who unexpectedly found themselves handed a small fortune when the group went public. This ownership base was no match for the capital hungry business of the group's rapidly expanding information technology empire. Reuters had to tap outside sources for funds.

Equally important, many of the existing holders want to cash in part of their investment while establishing a firm value on their Reuters holdings to underpin their own market worth. Fleet Holdings, which climbed 144 places in the 500 ranking to the 169 slot, was just such a beneficiary.

Fleet Holdings, publisher of the Daily and Sunday Express newspapers and the Daily Star as well as owner of a substantial magazine division enjoyed a £4.6m profits windfall from selling Reuters shares and yet it still retains nine-tenths of its original investment valued at about £90m—equivalent to just over half of its group net asset value. Not that the investment in the business information giant was the sole reason in propelling Fleet up the ranking's ladder.

By Fleet Street standards its newspaper interests are making quite reasonable returns, despite the seemingly suicidal urge to heap millions of pounds on bingo winners. The magazine division too shows remarkable profit margins—17 per cent in the last full year to June, but there is more to Fleet's share price performance than its impressive trading record.

Mr Robert Maxwell, the new owner of the Daily Mirror Group, has recently increased his shareholding in Fleet to 15.5 per cent. Presumably the Monopolies and Mergers Commission would immediately veto any attempt by Mr Matthews to launch an outright bid for a fellow national newspaper group, but the market, at least, believes that the holding could eventually find a home with some other bidder for Fleet. There are all sorts of connotations.

Back to high-tech companies: the highest rise in the rankings this year was achieved by Computer and Systems Engineering (Case, as it is commonly called) which rocketed up from number 487 places to 244, a rise of 243 places. But Case is not a prime example of the stock market's inexhaustible adulation for high-tech stocks that have become the vogue investment in recent years.

To find an example of that one has to search a little lower in the list. Micro Business Systems, Britain's largest independent distributor of microcomputers, rose 140 places over the past year. Micro's profits performance has been better than even its most enthusiastic followers had expected and in the last six months trading period to June profits doubled.

Case is not a case of constant glamour but of rehabilitation. It was floated on the stock market at the end of 1981 with all the usual enthusiasm of high-tech computer companies. It is a leading tele and data communications equipment producer and its offer for sale was oversubscribed by 27 times. But a year ago it was short of friends indeed. Just before its public debut Case moved into the world of word processing with the £1.1m purchase of the UK distributor of machines from NBI Inc of the U.S.

That investment proved to be a disaster and 12 months back Case had to withdraw with a total trading and book loss of £1m driving a large hole through the profit achievements of its more established operations.

However, such is the growth of its principle products—modems, multiplexers and message switchers—that the recent profits outturn has returned Case to the market's favour and the shares have almost tripled in value from their low point earlier this year.

High-tech, of course, does not have to mean computer-oriented companies alone. Undoubtedly with an extremely valid claim to high-tech status is Oxford Instruments which was launched on the stock market towards the end of last year and has already climbed up the 500 list to the 212 position, the third highest new entry of the survey.

Oxford is the culmination of more than two decades of work by members of the academic scientific establishment and a pioneer in the application of high magnetic fields for the use of body scanning.

Directly behind Oxford in the 500 ranking, at 213, is another new boy, Logica, which is the largest independent computer software company in the UK

Next year's winners? No doubt the "sunrise" industries of high-tech will feature prominently again but the year's highest entry—probably into the top ten—can be anticipated with a fair degree of certainty. Technology is close to its heart but utility is also an apt description of its nature. British Telecom—yes there is a slot reserved at the top of the "new companies'" table and in the words of Telecom's own advertising campaign "It's for you-hoo."

FOOTNOTES FOR COMPANIES LISTED ON THIS PAGE

252 Vantona Viyella, Incorporated 9th Feb. 83 through merger between Vantona and Carrington Viyella. 253 Micro Focus, USM: floated 12th May 83. 263 McCarthy and Stone, floated 16th Dec. 83. 265 Gerrard and National, profit is after tax, minority interest and transfer to Inner Reserve. 274 Guinness Peat Group, 82/83 figs for 17 months to 30th Sept. 83. Emp=UK only. 279 Automated Security Holdings, turnover includes invoiced value of rentals adjusted for repayments and is net of VAT. 285 British Car Auction Group, turnover=gross proceeds from auctions. 286 Premier Consolidated Oilfields, profit is after unrealised exchange gains. 300 Hickson International, formerly Hickson and Welch Holdings, 82/3 figs for 15 months to 31 Dec 83. ROCE is p.a. 305 Siebe, formerly Siebe Gorman. 309 Minster Assets, profit is before tax and transfer to investment reserve. 311 Pauls, formerly Pauls and Whites. 314 Gent S.R., floated June 83. 315 Stockley, incorporated 25th Nov. 83 and acquired entire share capital of Trust Securities Holdings on 16th Jan., 84. Figs. N/A. 321 Telemetrix, floated 10th Oct. 83. 322 Etam, floated 21st June 84. 330 Paterson Zochonis, preliminary results. 338 United Real Property Trust, preliminary results. 344 Hillards, profit is after deducting employees profit share. 352 Central Independent Television, USM; floated Sept. 83. 367 Bryant Holdings, preliminary results. 372 Microvitec, USM; floated 24th May 84. 376 Petranol, floated 29th Feb. 84. Figs for 15 months to 31st Dec. 83. 386 Systems Reliability, floated 19th March 84. 391 Tunstall Telecom Group, USM; floated June 83. 392 Bridon, 81/2 profit is after exceptional exchange losses. 395 First Leisure Corporation, floated 12th April 84. 81/2 profit includes interest. 402 Brown Shipley Holdings, profit is net of tax. 403 De Vere Hotels and Restaurants, became a subsidiary of Greenall Whitley, Aug. 84. 425 United Leasing, floated 11th July 83. 426 Combined English Stores, turnover excludes associated Co. turnover. 430 Cater Allen Holdings, profit is after providing rebate, tax and transfer to contingency reserve. 445 Coates Brothers, 81/2 turnover restated by Co. to exclude inter-group sales. 448 Cluff Oil, USM.

UK FT 500 VIII

451–500

Ranking 1984	1983	Company	Sector	Market cap. £m	Ranking	Turnover this year £m	Turnover last year £m	% change	Profit this year £m	Profit last year £m	% change	ROCE	Number of employees	Year end
451	(383)	Brown John	6	32.4	100	697.6	643.9	−7.2	(5.6)	(8.6)	—	5.3	12,363	31.3.84
452	(—)	RHP Group	6	32.4	257	102.4	109.5	−6.5	0.7	3.9	−83.2	4.2	6,257	30.9.83
453	(415)	Lovell Y. J. (Holdings)	3	32.2	205	189.6	153.6	10.4	4.6	3.7	21.7	16.0	2,929	30.9.83
454	(376)	Ruberoid	2	32.0	285	96.2	68.2	65.1	5.5	4.2	33.1	28.6	2,493	31.12.83
455	(368)	Molins	6	31.7	225	129.4	134.2	−3.6	7.1	8.3	−14.0	9.1	5,849	31.12.83
456	(—)	Bertam Holdings	91	31.6	397	1.3	1.4	−7.0	0.7	0.5	35.3	8.2	502	31.12.83*
457	(435)	Bath and Portland Group	10	31.5	276	96.2	89.4	−3.6	2.1	3.9	−46.2	10.9	2,763	31.10.83
458	(431)	Watts Blake Bearne and Co.	10	31.5	361	25.0	24.7	1.0	3.2	[illegible]	14.3	14.1	826	31.12.83
459	(429)	Centrovincial Estates	69	31.2	—	NR	NR	—	3.2	2.7	20.6	3.6	65	31.3.84
460	(487)	Estates Property Investment	69	31.0	—	NR	NR	—	2.8	2.5	10.4	7.4	79	30.4.84
461	(426)	AAH Holdings	11	30.9	114	501.6	466.0	7.7	10.5	9.4	11.7	20.2	4,730	31.3.84
462	(437)	Dominion International	11	30.9	352	31.0	23.8	30.6	6.0	2.3	49.5	16.2	145	31.3.84
463	(439)	Hewden-Stuart Plant	3	30.9	268	92.7	85.7	8.1	2.1	2.3	−7.4	9.0	2,433	29.1.84
464	(462)	Whitecroft	10	30.7	266	95.7	84.3	13.6	6.2	5.3	17.7	20.1	2,693	31.3.84
465	(451)	Whatman Reeve Angel	33	30.7	383	23.9	19.4	23.1	3.5	2.5	37.5	25.8	617	31.12.83
466	(389)	Martonair International	6	30.5	334	41.7	39.4	5.7	4.3	4.1	2.9	17.6	2,138	31.7.83
467	(447)	Plysu	42	30.3	395	23.3	20.1	16.2	3.3	2.7	26.7	29.9	800	31.12.83
468	(—)	London and Edinburgh Trust	69	30.2	—	NR	NR	—	3.4	1.1	216.6	16.3	14	31.12.83
469	(—)	Aitken Hume	69	30.1	—	NR	NR	—	3.8	2.3	67.3	15.8	86	31.12.83§
470	(—)	TVS	29	30.1	281	81.4	52.6	54.8	4.5	(1.1)	—	32.7	881	31.10.83*§
471	(444)	Associated Book Publishers	32	30.0	309	57.3	51.8	10.6	6.3	5.6	11.8	35.6	1,138	31.12.83
472	(432)	Aberdeen Construction	3	29.8	271	88.0	88.1	2.3	5.2	4.9	6.9	15.3	2,922	31.12.83
473	(469)	Marshall Halifax	2	29.7	313	54.5	47.5	14.6	5.1	3.5	43.4	18.5	1,527	31.3.84
474	(454)	Matthews Bernard	25	29.7	287	79.9	67.7	21.0	7.0	5.7	22.8	27.9	1,804	1.1.84*
475	(476)	Myson Group	6	29.8	317	51.9	52.3	−0.8	3.0	1.3	132.2	24.3	1,893	31.12.83
476	(404)	Invergordon Distillers	22	29.5	386	23.0	22.1	3.9	3.6	3.9	−7.6	10.9	328	31.12.83*
477	(—)	Suter	6	29.4	227	44.9	58.9	−23.8	2.2	(1.3)	—	18.0	1,229	31.12.83
478	(—)	Wordplex	6	29.3	350	32.0	24.8	28.7	1.3	(0.1)	—	14.6	579	31.12.83*§
479	(—)	Boustead	97	29.2	321	50.1	46.5	7.8	0.2	0.5	52.0	5.2	234	31.12.83
480	(—)	Robertson Research	51	29.1	375	15.8	14.9	6.2	1.8	1.0	82.5	31.7	N/A	31.3.84*
481	(425)	London and Midland Inds.	11	29.1	291	71.2	40.6	75.4	9.0	2.9	71.3	23.2	2,416	31.3.84
482	(—)	Camellia Investments	70	29.1	396	1.4	1.0	36.9	0.2	0.1	27.1	6.8	14	31.12.83*
483	(—)	Empire Stores	34	29.0	218	153.6	142.2	8.1	1.5	1.1	34.9	5.4	3,000	28.1.84
484	(420)	Higgs and Hill	3	29.0	204	169.7	169.7	5.3	6.1	4.6	30.9	20.9	2,088	31.12.83
485	(—)	Sunlight Service Group	12	28.9	340	39.4	37.8	4.1	3.6	2.8	28.3	38.6	5,920	31.12.83
486	(495)	EIS Group	6	28.7	343	37.2	30.5	21.8	3.6	3.2	14.7	16.7	1,778	31.12.83
487	(492)	Ansbacher, Henry Holdings	68	28.7	—	NR	NR	—	0.3	2.2	−87.7	NR	300	31.3.84
488	(497)	Scottish Agricultural Ind.	42	28.7	236	126.4	114.2	10.5	6.0	4.7	27.2	14.6	1,144	31.12.83
489	(—)	Holt Lloyd	9	28.7	312	58.0	52.9	4.1	4.2	2.1	105.8	29.2	772	25.2.84
490	(—)	Horne Robert	33	28.5	276	86.0	73.2	17.0	4.1	3.2	28.4	27.4	649	30.9.83
491	(—)	NuSwift Industries	10	28.2	376	14.2	14.0	0.8	1.9	0.9	105.9	41.0	666	31.12.83
492	(—)	CPU Computers	5	28.0	372	19.2	9.6	99.0	1.4	0.9	58.4	62.3	148	30.6.83*
493	(—)	Low and Bonar Group	35	28.0	202	175.0	173.6	0.8	9.1	3.5	159.4	14.2	6,332	30.11.83
494	(463)	GEI International	6	27.9	300	65.1	55.1	13.2	3.1	2.8	11.8	9.4	2,482	31.3.84
495	(387)	NSS Newsagents	34	27.7	222	146.8	139.5	4.3	5.6	6.2	8.1	47.7	5,153	2.10.83
496	(—)	Alexanders Discount	68	27.6	—	NR	NR	—	2.3	3.0	−25.0	15.6	N/A	31.12.83*
497	(460)	Allied London Properties	69	27.2	—	NR	NR	—	2.4	1.9	25.0	7.7	114	30.6.83
498	(434)	Bespak	6	27.1	382	10.3	9.7	17.3	2.1	1.8	17.0	39.7	258	27.4.84
499	(409)	Hargreaves Group	11	26.9	189	194.7	197.6	−1.5	3.5		−27.2	N/A	2,130	31.3.84
500	(—)	Powerline International	5	26.9	395	3.2	1.5	114.6	6	0.1	685.9	N/A	56	31.12.83*

456 Bertram Holdings, 83 figs are for 9 months to 31st Dec—82 figs are for 12 months to 31st March 83. 470 TVS, 81/2 figs for 17 months to 31st Oct. 474 Matthews Bernard. Emp=1983. 476 Invergordon Distillers, turnover includes duty. 478 Wordplex, floated 10th May 84. 480 Robertson Research, unaudited figs. 482 Camellia Investments, turnover is for trading in Fine Art and Philately. Profit includes net income from investments. 492 CPU Computers, USM; floated 29th June 83. 496 Alexanders Discount, profit is after tax and transfer to reserves. 500 Powerline International, USM; floated 14th March 84.

* See footnotes. † Return on Shareholder's Funds (before charging interest on Loan Capital). ‡ Previous year's figs adjusted for accounting changes. § ROCE on Capital Employed at year-end.

Confidence in builders falls

BY ALEXANDER NICOLL

SHAREHOLDERS IN most of Britain's building firms will have been happy to see the year covered by this survey over. The contracting and construction sector was by far the worst performer in the UK chart, afflicted by individual company nightmares and an overall malaise.

Of 24 companies in the table from June to June, only three managed to make any headway in the rankings. The acquisitive Mr Brian Beazer saw his Bath-based group, C. H. Beazer, rise 98 places, and modest gains were recorded by the more established Costain and John Laing.

But among the others, there were some spectacular declines. Thanks to the dramatic fall from grace of Sir Lawrie Barratt's Barratt Developments — down 93 to 159 — George Wimpey became the sector's most highly capitalised group. But it, too slipped, from 76th place to 97th. Burnett and Hallamshire had the biggest fall in the entire 500, dropping 168 places to 347.

The City, obviously, expected better things. Many shares in the sector were being rated "buys" and "holds" by stockbrokers' analysts in mid-1983, though the recommendations were naturally cautious after the travails of the recession.

The biggest impetus was expected to come from the private housebuilding sector, where Barratt had become a stock market favourite through its extraordinary success in marketing homes to first-time buyers.

The withdrawal of clearing banks from mortgage lending, coupled with stubbornly high interest rates, were not helpful. In addition, sharply rising land prices put severe pressure on housebuilders, especially those with depleted land banks. They blamed local authorities for not releasing sufficient land for development.

Growth of private housing starts slowed in the second half of 1983 and began to be reversed in the first half of 1984.

All these things, though troublesome, should have been manageable by the companies concerned and to a large extent predictable in the City.

The unexpected factor which dealt the most damaging blow was an attack, in Granada Television's World in Action programme, on the timber frame construction methods used by Barratt. This year, a second programme challenged the selling methods and resale values of Barratt "starter" homes.

Despite the company's emphatic defence of its practices, the share price plummetted, sales of new houses fell drastically below projected levels, and profits faltered. Wimpey, which also uses timber frame construction, did not escape damage to its share price, though it has sensibly kept a low profile in the controversy.

The poor performance of the rest of the sector, mostly contracting firms with interests in the UK and overseas, might just be a question of fashion. Several have turned in respectable and regular profit increases, despite the tough economic climate of the past few years.

High interest rates, slow economic recovery and tough competition both in the UK and elsewhere have all contributed to the stock market's caution, and the miners' strike has taken an inevitable toll on UK business.

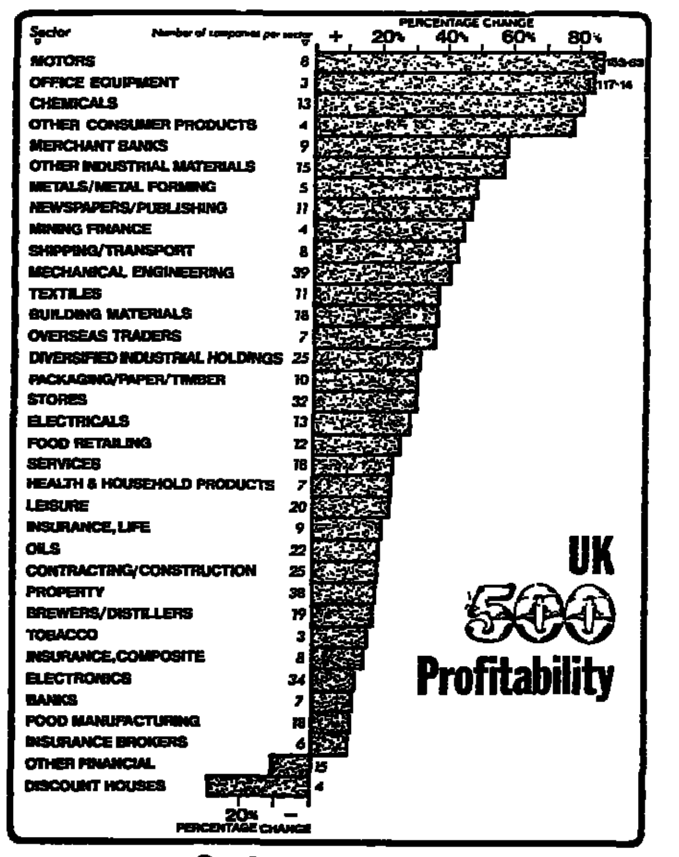
New public sector construction contracts are few and far between in the UK, and there is also little growth in private sector commercial and industrial projects.

Adding to the stock market's negative attitude was the memory of some companies' bad experiences with overseas projects. Earlier this year, for example, Wimpey announced exceptional losses of £41.7m on activities in Saudi Arabia, Hong Kong and Swaziland.

With substantial idle capacity in the UK contracting industry, repair and refurbishment work is being looked to increasingly as a profit source. It is helping SGB, for example, to recoup after several years of declining profits amid cut-throat competition. Overseas operations, however, have continued to lose money.

Other contracting companies, such as Higgs and Hill, F. J. C. Lilley and John Mowlem, showed quite large falls in the rankings despite registering good results and displaying no skeletons in cupboards.

Victim of virtually every misfortune available has been Burnett and Hallamshire, a coal trading and contracting group. After South African coal interests and a Californian property excursion had shown disappointing results, the miners strike has cut sharply into its UK business. A new leadership is struggling to reverse a steep drop in profits.



Based on pre-tax profits

Biggest profit increases (UK)

	Company	FT UK 500 Rank	Sec	Profit Increase %
1	Waddington John	442	32	980.2
2	Chloride Group	396	04	900.0
3	Sovereign Oil and Gas	260	51	749.5
4	Powerline International	500	05	685.9
5	Laing John	243	03	668.8
6	Telemetrix	321	05	600.4
7	Woolworth Holdings	106	34	382.0
8	Baker Perkins	382	06	316.9
9	Mount Charlotte Invs	272	29	280.6
10	UBM	268	02	280.6

Biggest profit decrease (UK)

	Company	FT UK 500 Rank	Sec	Profit Decrease %
1	Lucas Industries	161	09	−89.6
2	Grindlays Holdings	168	70	−86.9
3	RHP Group	452	06	−83.2
4	Premier Cons Oilfields	286	51	−75.7
5	Burnett and Hallamshire	347	03	−70.6
6	Hamilton Oil GB	192	51	−64.1
7	Commercial Union	38	66	−56.7
8	Ocean Transport & Trading	194	45	−48.2
9	Oceonics	332	51	−46.3
10	Union Discount Company	306	63	−46.2

Britain's highest paid executives

MURRAY GORDON, chairman of Combined English Stores (market capitalisation £38m), ranks with Sir Peter Walters, John Harvey-Jones, and Lord Rayner as one of Britain's top money earners.

The top executives of BP, ICI, Marks and Spencer (Nos 1, 4 and 7 in the UK FT 500) and Combined English (No 426), all appear in the top quarter of the FT 500's first ranking of Britain's highest paid executives.

The list, culled from the published reports of the FT 500 companies, is remarkable in its unpredictability. Executives from well-known international companies like Reuters, Ferranti and United Biscuits, for example, are not represented. At the same time, a small Northamptonshire shoe retailer, Ward White, has two directors ranked among Britain's highest paid executives.

Some of these surprises—such as John Harvey-Jones of ICI standing just six spaces ahead of the chairman of Laporte, a chemical group with one-tenth ICI's market cap—can be accounted for by generous stock option programmes which boost an executive's compensation well beyond his published salary.

Even so, the captains of British industry are not shockingly well paid. A director need only earn £97,000 a year to be among the 100 best-paid UK executives. That may seem a lot to those who still believe that earning a lot of money is a kind of crime but it is less than the average partner in a London stockbroking firm makes or, for that matter, a top insurance salesman, a top barrister and well below a top footballer, entertainer, or snooker player.

It is also well below the American levels of compensation for top executives. According to a recent Arthur Young study, the chief executive at 1,300 large U.S. companies earns more than $300,000 a year.

Of the 100 best paid UK executives, only 49 come from the first 100 companies in the FT 500. Companies with market caps of £122m or less provided 22 entrants, while the rest came from groups with market caps between £123m and £307m.

Looking at the group by sector, the largest contributor was retailing, which had 10 executives on the list. Electronics came next with eight representatives, oils and merchant banks next with six each.

Carla Rapoport

	Name	£000	FT 500 rank	Places moved 84/83
1 Boc Group	Richard Giordano	531.5	36	−2
2 Lonrho	R. W. Rowland	264.584	89	+22
3 Plessey	W. Sinsheimer	248.365	14	−4
4 Hill Samuel Group	Richard Shaw	242.0	143	0
5 Assoc Newspapers Holdings	Sir Patrick Sargeant	234.42	178	+38
6 Plessey	Sir John Clark	206.468	14	−4
7 Shell Transport & Trading	Sir Peter Baxendell	202.424	2	+1
8 Burton Group	Ralph M. Halpern	*199.0	71	+22
	*Includes profit-related bonus			
9 Lex Service Group	Trevor Chinn	189.711	110	+4
10 ICL	Robb. Wilmot	189.0	116	−27
11 British Petroleum	Sir Peter Walters	183.134	1	0
12 Argyll Group	J. G. Gulliver	178.0	107	+29
13 Atlantic Computers	—	178.0	224	m
14 Wedgwood	Sir Arthur Bryan	174.469	364	+46
15 Beecham Group	Sir Graham Wilkins	171.66	10	−3
16 Imperial Chemical Industs	John Harvey-Jones	170.999	4	+1
17 Mercury Securities	—	168.0	146	+13
18 Schroders	Earl of Airlie	168.0	210	+39
19 Mercury Securities	Lord Roll of Ipsden	164.0	146	+13
20 Mercantile House Holdings	—	159.218	145	−44
21 Marks & Spencer	Lord Rayner	158.508	7	+1
22 Laporte Industries (Hldgs)	R. M. Ringwald	156.775	104	+33
23 Combined English Stores	Murray Gordon	156.0	426	m
24 Racal Electronics	Sir Ernest Harrison	152.117	24	+9
25 BAT Industries	Patrick Sheehy	150.112	5	+3
26 Ultramar	Arnold Lorbeer	147.931	46	−10
27 Thorn EMI	Peter Laister	146.908	35	−7
28 Marley	—	146.0	167	+8
29 Howden Group	—	141.867	390	−31
30 Saatchi & Saatchi	M. & C. Saatchi	141.0	148	+49
31 United Scientific Holdings	Peter Levene	141.0	185	−75
32 Hanson Trust	Lord Hanson	140.0	16	+16
33 Imperial Group	Geoffrey C. Kent	138.98	26	+9
34 Barratt Developments	Sir Lawrie Barratt	137.918	159	−93
35 Cable & Wireless	Sir Eric Sharp	136.881	15	+3
36 Rothmans International	Vernon Brink	136.542	108	+46
37 Tate & Lyle	Robert Haslam	136.0	128	+5
38 Lucas Industries	R. G. C. Messervy	132.799	161	+11
39 Metal Box	D. I. Allport	131.0	127	+30
40 Guinness Peat Group	—	130.106	274	−4
41 Hill Samuel Group	Sir Robert Clark	130.0	143	0
42 Minet Holdings	R. W. Pettitt	129.687	201	+22
43 Reed International	—	129.088	63	+13
44 Ward White Group	—	129.0	323	+50
45 Hepworth Ceramic Holdings	Peter Goodall	128.0	137	−13
46 Cadbury-Schweppes	Adrian Cadbury	127.031	58	−2
47 Applied Comp Techniques	—	127.0	228	+55
48 Hadson Petrol International	—	127.0	408	−131
49 Sedgwick Group	Neil Mills	127.0	60	−2
50 Exco International	—	126.539	92	+4
51 BOC Group	Sir Leslie Smith	126.5	36	−2
52 Tarmac	Eric Pountain	125.0	55	−6
53 Holt Lloyd International	—	124.603	489	−33
54 Ward White Group	Philip Birch	124.0	323	+50
55 Barclays Bank	Sir Timothy Bevan	123.993	13	−2
56 Marks & Spencer	Lord Sieff	123.0	7	+1
57 Spirax-Sarco Engineering	A. C. Brown	121.780	257	−22
58 Dixons Group	Stanley Kalms	121.263	170	+30
59 Bell (Arthur) & Sons	C. R. Miquel	121.175	149	−9
60 Akroyd & Smithers	Brian K. Peppiatt	118.0	225	+71
	Timothy Fraser Jones	118.0	225	+71
61 Foseco Minsep	D. V. Atterton	117.0	190	+4
62 Guest, Keen & Nettlefolds	Sir Trevor Holdsworth	116.0	81	+4
63 General Electric	—	116.0	3	0
64 Rio Tinto-Zinc Corporation	—	116.0	11	+4
65 Mercantile House Holdings	R. R. St. J. Barkshire	112.978	145	−44
66 Hambro Life Assurance	—	112.0	74	−11
67 Fisons	—	111.773	94	−7
68 Grand Metropolitan	S. G. Grinstead	111.135	9	0
69 Guinness Arthur & Son	—	110.0	121	+14
70 London Scottish Marine Oil	—	108.986	118	−35
71 Britannia Arrow Holdings	—	108.13	221	+8
72 Unilever	K. Durham	108.055	19	+3
73 Lloyds Bank	Jeremy Morse	107.262	32	+3
74 BSR International	W. R. A. Wyllie	106.853	88	+55
75 Horizon Travel	B. W. Tanner	106.323	338	−68
76 Allied Lyons	Sir D. Holden-Brown	106.131	29	+6
77 Adwest Group	F. V. Waller	105.897	400	−37
78 Glaxo Holdings	—	105.658	6	+2
79 Woolworth F. W. Holdings	J. M. Beckett	105.0	106	+64
80 Hawker Siddeley Group	Sir Arnold Hall	104.694	40	+4
81 Magnet & Southerns	S. Oxford	104.618	122	−31
82 Redland	C. R. Corness	104.452	62	−10
83 Sears Holdings	—	104.359	34	−3
84 Farnell Electronics	—	104.0	134	+12
85 Trident Television	G. E. Ward Thomas	102.539	307	+53
86 Bass	Derek Palmar	*102.144	23	+1
	*After waiving 3.0 during year			
87 Glaxo Holdings	Sir Austin Bide	100.089	6	+2
88 Berisford (S. & W.)	E. S. Margulies	100.0	90	−12
89 BICC	Lord Penrock	101.69	78	−13
90 Horne Robert	Kenneth E. Horne	100.0	490	m
91 Trafalgar House	Nigel Broackes	100.0	50	+17
92 London & Northern Group	J. H. M. MacKenzie	99.812	301	−2
93 Courtaulds	C. A. Hogg	99.052	70	+11
94 Boots	D. T. Main	99.0	22	+4
95 Burnett Hallamshire Hldgs	Eric Grayson	98.398	347	−168
96 Imperial Continental Gas Ass	—	98.0	80	+26
97 Laird Group	—	98.0	256	−3
98 Northern Foods	Nicholas Horsley	97.134	82	+9
99 Bibby J. & Son	Sir Leslie Young	97.0	147	−1
100 BTR	—	97.0	8	+4

A-Z list of UK top 500

COMPANY	RANK
AAH Holdings	461
AB Electronic Prods.	251
Aberdeen Construct.	472
Adwest Group	400
AE	291
AGB Research	230
Aitken Hume	469
Akroyd & Smithers	225
Alexanders Discount	496
Allied Colloids	141
Allied London Prop.	497
Allied-Lyons	29
AMEC	196
Amersham Int.	208
Amstrad Cons. Elec.	254
Ansbacher, Henry	487
Applied Comp. Tech.	228
APV Holdings	264
Argyll Group	107
Asprey & Company	407
Assoc. Book Pubs.	471
Assoc. British Foods	49
Assoc. British Ports	246
Assoc. Dairies	28
Assoc. Newspapers	178
Atlantic Computers	224
Automated Security	279
Automotive Products	432
Avana Group	163
Babcock International	166
Baird William	343
Baker Perkins Hldgs.	382
Bank of Scotland	114
Barclays Bank	13
Barlow Holdings	436
Barratt Developments	159
Bass	23
BAT Industries	5
Bath & Portland Grp.	457
Beazer CH (Hldgs.)	299
Beecham Group	10
Bejam Group	189
Bell Arthur & Sons	149
Berisford S&W	90
Bertam Holdings	456
Bespak	498
Bestobell	377
Bibby J & Sons	147
BICC	78
Bilton Percy	275
Binmid Qualcast	351
Black Peter Hldgs.	365
Blue Circle Indust.	69
BOC Group	36
Boddington's Brew.	335
Booker McConnel	133
Boots	22
Boustead	479
Bowater Corporation	72
Bowthorpe Holdings	197
BPB Industries	61
Bradford Prop. Trust	303
Brammer	319
Brent Chemicals Int.	397
Bridon	392
Britannia Arrow Hdg.	221
Britannic Assurance	241
British & C'onwealth	96
British Aerospace	42
British Car Auction	285
British Electric Trac.	64
British Home Stores	77
British Land C'mpany	204
British Petroleum	1
British Vita	366
Britoil	25
Brixton Estate	236
Brooke Bond Group	136
Brown Boveri Kent	374
Brown John	451
Brown Matthew	369
Brown Shipley Hldg.	402
Bryant Holdings	367
BSR	88
BTR	8
Bullough	346
Bulmer HP Hldgs.	231
Bunzl	184
Burmah Oil	129
Burnett & Hall'mshire	347
Burton Group	71
Cable & Wireless	15
Cadbury Schweppes	58
Caledonia Investm'ts	173
Cambridge Electronic	218
Camellia Investments	482
Capital & Counties	180
Carless Capel Leon'd	162
Carlton Comm.	312
Carlton Industries	329
Carr John (D'caster)	393
Castlefield Rubber	446
Cater Allen Hldgs.	430
Central Ind. TV	352
Centrovincial Est.	459
Charter Consolidated	135
Charterhall	413
C'house J Rothschild	83
C'terhouse Petroleum	150
Chesterfield Prop.	276
Chloride Group	396
Christies Int.	360
Chubb & Son	249
Churchbury Estates	387
Cluff Oil	448
Clyde Petroleum	229
Coalite Group	187
Coates Brothers	445
Coats Patons	102
Collins William	255
Comben Group	437
Combined English St.	426
Commercial Union	38
Computer & Systems	244
Con. Gold Fields	33
Cookson Group	179
Cope Allman Int.	434
Costain Group	144
Country & New Town	405
Courtaulds	70
CPU Computers	492
Cray Electronics	418
Crest Nicholson	421
Croda International	195
Crystalate Holdings	358
Currys Group	199
Daejan Holdings	444
D. Mail & Gen. Trust	280
Dalgety	99
Davy Corporation	381
Dawson International	156
De La Rue	130
De Vere Hotels	403
Debenhams	124
Dee Corporation	109
Delta Group	203
Dewhirst IJ Hldgs.	385
Diploma	211
Distillers Company	27
Dixons Group	170
Dobson Park Ind.	334
Dominion Int.	462
Dowty Group	105
DPCE Holdings	431
DRG	237
Dubilier	378
Dunhill Holdings	316
Dunlop Holdings	340
E. Midland A'd Press	411
EIS Group	486
Electrocomponents	112
Elect'in Rentals Gp.	216
Empire Stores	483
English China Clays	84
Equity Law Life Ass.	176
Estates Prop. Invest.	460
Etam	322
European Ferries	111
Eurotherm Int.	304
Exco International	92
Extel Group	240
Fairview Estates	380
Farnell Electronics	134
Fenner JH (Hldgs.)	439
Ferguson Ind. Hldgs.	435
Ferranti	57
Fine Art Developm'ts	416
Finlay James	289
First Leisure Corp.	395
First Nat. Finance	239
Fisons	94
Fitch Lovell	226
Fleet Holdings	169
Flight Refuelling	217
Foseco Minsep	190
Foster Bros. Clothing	318
Freemans	287
French Kier Hldgs.	345
GEI International	494
General Accident	41
General Electric Co.	3
Gent S.R.	314
Gerrard & National	265
Gestetner Holdings	388
Gill & Duffus	214
Glaxo Holdings	6
Glynwed Int.	215
Goal Petroleum	412
Granada Group	125
Grand Metropolitan	9
Grattan	398
Gt. Portland Est.	140
Gt. Universal Stores	17
Greenall Whitley	171
Green King & Sons	297
Greycoat City Offices	341
Grindlays Holdings	168
Guardian Royal Ex.	37
Guest Keen N'folds	81
Guinness Arthur & S	121
Guinness Peat Group	274
Habitat Mothercare	101
Hadson Pet. Intl.	408
Hall Matthew	282
Halma	406
Hambro Life Ass.	74
Hambros	186
Hamilton Oil G.B.	192
Henderson Ad. Gp.	410
Hammerson Property	51
Hampton Gold Min.	360
Hanson Trust	16
Hargreaves Group	499
Harris Queensway	131
Harrisons & Crosfield	73
Haslemere Estates	182
HAT Group	273
Hawker Siddley Gp.	40
Hawley Group	202
Hazlewood Foods	356
Heath CE	191
Henderson Group	370
Hepworth Ceramic	137
Hepworth J. & Son	205
Hewden-Stuart Plant	463
Hickson International	300
Higgs & Hill	484
Highland Distilleries	298
Hill Samuel Group	143
Hillards	344
Hogg Robinson	320
Holt Lloyd	489
Home Charm	313
Horizon Travel	338
Horne Robert	490
House of Fraser	85
Howden Group	390
Hunting Ass. Indust.	427
Ibstock Johnsen	357
ICL	116
IMI	151
Imperial Chemical	4
Imperial Cont. Gas	80
Imperial Group	26
Imry Property Hldgs.	420
Inchcape	113
Initial	123
Intasun Leisure Grp.	308
Invergordon Dist.	476
Johnson Gp. Clean.	429
Johnson Matthey	95
Kenning Motor Gp.	394
Kleinw't B'son L'dale	142
Kwik Save D'count	132
Ladbroke Group	86
Laing John	243
Laing Properties	181
Laird Group	256
Land Investors	443
Land Securities	18
Laporte Industries	104
LCP Holdings	348
Legal & General	49
Lep Group	419
Lex Service	110
Lilley FJC	327
Link House Pub'tions	354
Lloyds Bank	32
Logica	213
London E'burgh Trust	468
London Man. Group	207
London Midland Ind.	481
London Prov. Shop	371
London Scot. Marine	118
London North. Group	301
London M'chant Secs	184
L'don Shop Prop. Tst	328
Lonrho	89
Lovell YJ (Hldgs.)	453
Low & Bonar Group	493
Low Wm & Company	422
LRC International	242
Lucas Industries	161
LWT (Holdings)	423
M & G Group	333
Magnet & Southerns	122
Mansfield Brewery	349
Marchwiel	290
Marks & Spencer	7
Marley	167
Marshalls Halifax	473
Marston, Thompson	389
Martin Newsagent	384
Martonair Int.	466
Matthews Bernard	474
McCarthy & Stone	263
McCorquodale	359
McKechnie Brothers	277
Memec	337
Menzies John	234
MEPC	54
Mercantile H'se Hld.	145
Mercury Securities	146
Metal Box	127
Metal Closures Grp.	417
Meyer International	222
MFI Furniture Group	100
Micro Bus. Systems	325
Micro Focus	253
Microvitec	372
Midland Bank	45
Mills & Allen Int.	219
Minet Holdings	201
Minster Assets	309
Mitchell Cotts	404
MK Electric Group	223
Molins	455
Morgan Crucible Co.	245
Morrison Wm. S'kts.	281
Mount Charlotte Inv.	272
Mowlem John & Co.	393
Mucklow A & J Grp.	414
Myson Group	475
Nat. Westminster B'k	20
Newarthill	362
Nichols Jn. (Vimto)	440
Norcros	177
Northern Eng. Inds.	152
Northern Foods	82
Nott'm. Manufactur.	158
NSS Newsagents	495
Nu-Swift Industries	491
Nurdin & Peacock	292
Ocean Transp't Trad.	194
Oceonics	332
Octopus Pub. Grp.	294
Oxford Instruments	212
P & O	79
Paterson Zochonis	330
Pauls	311
Peachey Prop. Corp.	324
Pearl Assurance	120
Pearson	68
Pegler Hattersley	295
Petranol	376
Phoenix Assurance	115
Pilkington Brothers	67
Pleasurama	267
Plessey Company	14
Plysu	467
Polly Peck (Hldgs.)	166
Portals Holdings	248
Powell Duffryn	183
Powerline Int.	500
Premier Cons Oil	286
Prestige Group	375
Pritchard Services	206
Property & Rev.	373
Property Hldg. Inv.	278
Property Sec Inv Tst	296
Provident Financial	317
Prudential Corp.	21
Queens Moat Houses	310
Racal Electronics	24
Rank Organisation	75
Ranks Hovis McD'll	138
Reckitt & Colman	53
Redland	62
Reed International	63
Refuge Assurance	232
Rentokil Group	128
Reuters	47
RHP Group	452
Rio Tinto-Zinc Corp	11
RMC Group	93
Robertson Research	480
Rosehaugh	449
Rothmans Int.	108
Rowntree Mackintosh	76
Royal Bk of Scotland	65
Royal Insurance	30
Ruberoid	454
Rugby Portland Ce't	200
Saatchi Saatchi Co.	148
Sainsbury J.	12
Samuel H.	331
Samuel Properties	415
Savoy Hotel	172
Saxon Oil	302
Scapa Group	250
Schroders	210
Scot. Newc'tle Brew.	87
Scottish Agricul. Ind.	488
Scottish Met.	271
Sears Holdings	34
Securicor Group	326
Sec. Centres Hldgs.	409
Security Services	259
Sedgwick	60
SGB Group	355
Shell Trans. & Trad.	2
Sidlaw Group	433
Siebe	305
Simon Engineering	209
Sirdar	339
600 Group	438
Sketchley	266
Slough Estates	103
Smith & Nephew	59
Smith WH Son (Hld)	139
Smiths Industries	119
Sound Diffusion	154
Sovereign Oil Gas	260
Spirax-Sarco Eng.	257
Stakis	261
Stand'd Chartered Bk	44
Standard Telephones	31
Staveley Industries	401
Stead & Simpson	441
Steel Brothers	342
Steetley	174
Sterling Gntee Trust	160
Stewart Wrightson	270
Stock Conversion	157
Stockley	315
Sun Alliance London	43
Sun Life Ass Soc	96
Sunlight Service Grp	485
Superdrug Stores	238
Suter	477
Systems Designers	379
Systems Reliability	386
Tarmac	55
Tate & Lyle	128
Taylor Woodrow	155
Telemetrix	321
Telephone Rentals	188
Tesco Stores (Hldgs)	56
Thorn EMI	35
TI Group	193
Tootal Group	289
Town Centre Sec.	447
Trafalgar House	50
Transport Dev. Grp.	198
Travis & Arnold	368
Tricentrol	153
Trident Television	307
Trusthouse Forte	39
Tunstall Telecom Gp.	391
Turner & Newall	256
TVS	470
UBM	268
UEI	288
Ultramar	46
Unigate	117
Unilever	19
Union Disc. Company	306
Unitech	235
United Biscuits	66
United Friendly	424
United Leasing	425
United Newspapers	220
United Parcels	381
Utd Real Prop. Tst	338
Utd Scietific Hldgs	185
Vantona Viyella	252
Vaux Breweries	284
VG Instruments	233
Vickers	175
Vinten Group	353
Waddington John	442
Ward White Group	323
Warner Estate Hldgs	383
Warnford Invest.	450
Watts Blake Bearne	458
Wedgwood	364
Westland	247
Westpool Invest Tst	283
What'an Reeve Angel	465
Whitbread	52
Whitecroft	464
Wholesale Fittings	386
Willis Faber	91
Wilson (Connolly)	282
Wimpey George	97
Wolseley-Hughes	227
Wolverhampton D'ley	293
Woolworth Holdings	106
Wordplex	478
Yule Catto	428